THE WALL STREET JOURNAL.

DOW JONES | News Corp ******

MONDAY, NOVEMBER 21, 2022 ~ VOL. CCLXXX NO. 121

WSJ.com

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Last week: **DJIA** 33745.69 ▼ 2.17 0.01% **NASDAQ** 11146.06 ▼ 1.6% **STOXX 600** 433.33 ▲ 0.2% **10-YR. TREASURY** ▲ 3/32, yield 3.817% **OIL** $80.08 ▼ $8.88 **EURO** $1.0326 **YEN** 140.39

What's News

Business & Finance

Disney's board replaced CEO Bob Chapek with Robert Iger, the former chairman and chief executive who left the company at the end of last year. Separately, Trian has purchased a sizable stake in the company and is seeking a seat on the board. **A1**

◆ **Failed cryptocurrency** exchange FTX said in a filing that it owes its 50 largest creditors about $3.1 billion, with two creditors each owed more than $200 million. **B1**

◆ **Trade and investment** between the U.S. and Europe are booming as Russia's war in Ukraine and fraying ties between the West and China draw the trans-Atlantic allies closer. **A1**

◆ **Sinking stock prices** and a change in proxy-voting rules are emboldening many first-time shareholder activists to seek changes at some of the biggest U.S. corporations. **A1**

◆ **Small businesses** grappling with inflation, labor shortages and strained supply chains are taking steps to blunt the impact of rising interest rates on their operations. **A3**

◆ **Carvana**, a pandemic winner, is rushing to conserve cash as once-plentiful financing options dry up and the used-car dealer's business deteriorates. **B1**

◆ **Two of the largest** U.S. railroad unions will reveal Monday whether their members voted to accept a new wage deal brokered by the White House, or reject it and move closer to a strike. **B2**

World-Wide

◆ **Five people were killed** and 25 injured when a gunman opened fire inside an LGBT nightclub late Saturday in Colorado Springs, Colo., police said. **A1**

◆ **A roster of potential** candidates effectively opened the race for the Republican Party's 2024 presidential nomination over the weekend, testing campaign themes and seeking to distinguish themselves from Trump. **A4**

◆ **President Biden turned** 80 on Sunday, becoming the first octogenarian to hold the office as he mulls a reelection bid and faces fresh concerns about his age among voters and some Democratic officials. **A4**

◆ **Ukrainian officials** encouraged people from recently recaptured territories to evacuate, as the country tries to ease the strain on its damaged electric grid ahead of the winter. **A7**

◆ **The U.S. government** is looking to buy an icebreaker from a private company to bolster its presence in the waters around Alaska, according to congressional aides. **A3**

◆ **A riot by Jewish pilgrims** in Hebron drew widespread condemnation, with Palestinian leaders warning that the incoming right-wing Israeli government could cause further instability in the West Bank. **A9**

◆ **Iranian security forces** put on a show of armed force and raided homes in search of opponents in the country's Kurdish region. **A9**

JOURNAL REPORT
Customer Experience: Smart ways to handle product returns. **R1-6**

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Disney Axes Chapek, Iger Returns

Surprise ouster of CEO follows stock slide and big losses in streaming business

Walt Disney Co.'s board of directors on Sunday night replaced Chief Executive Bob

By Robbie Whelan, Joe Flint and Lauren Thomas

Chapek with Robert Iger, the company's former chairman and CEO who left the company at the end of last year, the company said.

"The board has concluded that as Disney embarks on an increasingly complex period of industry transformation, Bob Iger is uniquely situated to lead the company through this pivotal period," said Susan Arnold, chairman of Disney's board, in a statement.

"We thank Bob Chapek for his service to Disney over his long career, including navigating the company through the unprecedented challenges of the pandemic," she added.

The change comes at a tumultuous time for Disney.

HANNAH MCKAY/REUTERS

Robert Iger

On Nov. 9, the company reported weaker-than-expected fourth-quarter financial results, killing the momentum built up over a strong year that saw record revenue and profits in multiple divisions, especially the one that includes theme parks.

Disney's theme-park business has recovered strongly since the coronavirus pandemic shut down its venues across the world, but the division continues to subsidize widening losses in the streaming video business.

Mr. Chapek has said repeatedly that he expects the streaming business to be profitable by September 2024. In the most recent quarter, though, it lost $1.47 billion, more than twice the year-earlier loss.

The company also cautioned that its profitability target would only be met if there wasn't a significant economic downturn, the first time it has added such a caveat. Disney shares fell 13% the day after the earnings report and are down more than 41% so far this year.

Disney has also faced pres-

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◆ Stoppages worsen at Disney parks' rides B1

GENEVA HEFFERNAN/ASSOCIATED PRESS

Flowers were left at a makeshift memorial Sunday near the Colorado Springs nightclub where a gunman killed five people.

Five Are Killed in Shooting At Club

Five people were killed and 25 injured when a gunman opened fire inside an LGBT nightclub late Saturday in Colorado Springs, Colo., police said.

By Ginger Adams Otis, Nicole Friedman and Dan Frosch

The suspect entered the venue, Club Q, just before midnight and immediately began shooting, Colorado Springs Chief of Police Adrian Vasquez said at a news conference on Sunday.

At least two firearms were recovered at the scene, the chief said. It isn't yet known if the weapons belonged to the suspect, who used a long rifle in the shooting, he said.

"At least two heroic people inside the club confronted and fought with the suspect and were able to stop the suspect from continuing to kill and harm

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U.S. Draws Closer to Europe As Trade Steps Up

By Tom Fairless

FRANKFURT—The global economic map is rapidly transforming, with trade and investment between the U.S. and Europe booming as Russia's war in Ukraine and fraying ties between the West and China draw the trans-Atlantic allies closer.

The U.S. has imported more goods from Europe than from China this year, a big shift from the 2010s when China emerged as the U.S.'s dominant trade partner. Money and products are flooding across the Atlantic as never before. This is helping Europe's embattled manufacturers, which are wrestling with skyrocketing energy prices. And it is pushing East Coast ports ahead of their West Coast counterparts in container volumes after years of a U.S. pivot to Asia.

Germany's exports to the U.S. surged by almost 50% year-over-year in September. The weak euro is giving European companies an extra edge in the vast U.S. market. European companies are also pouring resources into North America, including Mexico, lured in part by access to cheap energy.

The U.S., meanwhile, is turning into one of Europe's biggest energy and military suppliers, replacing Russia as a natural-gas purveyor and helping Europeans to beef up their defenses. Germany plans to buy 35 U.S. F-35 jet fighters, built by Lockheed Martin Corp. U.S. services exports to the European Union are surging, up 17% in 2021 year-over-year to €305 billion ($314.9 billion), according to EU data.

The burgeoning trans-At-

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Inflation Reins In Holiday Spending

Struggling with higher prices, households plan fewer gifts and donations

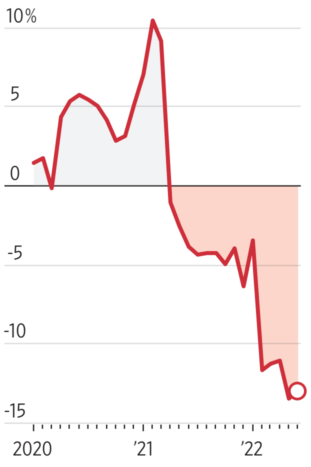
By Rachel Wolfe And Jon Hilsenrath

Households, retailers and charities nationwide, feeling the pinch of inflation, are bracing for a humbug holiday season.

U.S. consumers and businesses have trimmed spending plans for gifts, charitable contributions and holiday events, data show. The penny-pinching threatens to spoil the year-end for many, especially firms and nonprofits that tally their largest share of sales and donations in November and December.

"We're hopeful for a strong giving season, but we're not counting on it," said Thomas Tighe, chief executive of Direct Relief, a medical-assistance nonprofit that takes in around $2 billion a year in donated medicine, supplies and cash to deliver help around the world.

Change in number of donors from a year earlier



Source: GivingTuesday

Opal Holt-Philip's children—ages 5, 9 and 12—will be among those taking the brunt of rising prices. Ms.

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Companies Brace For Activist Wave After Rule Change

By Lauren Thomas

Sinking stock prices and a change in proxy-voting rules are emboldening many first-time shareholder activists to seek changes at some of the biggest names in U.S. corporations.

Companies, always wary of activist advances, are feeling particularly vulnerable as a result of new rules imposed by U.S. regulators in September requiring the use of a so-called universal proxy card in corporate-director elections, bankers and lawyers said.

In the new format, directors nominated by a company must be listed on the same ballot as those put forth by activists, enabling investors to pick and choose, rather than voting entirely with either the company or the activist.

Advisers to companies said the likelihood of at least gaining one board seat will increase significantly for smaller players. That is especially true given that they will no longer incur the substantial expense—sometimes running into six figures or more—of printing and mailing proxy cards to all shareholders, lowering the barriers to entering the activist game.

Activists seek changes at underperforming companies through deal-making and other means. Increasingly, they are also pressuring companies to up their game on environmental, social and governance, or ESG, issues.

Late fall and winter are when activists typically make contact with a company, often privately, to initiate a campaign. Proxy-voting season runs from roughly mid-April to June, when most publicly traded businesses host their annual meetings.

"This proxy season is shaping up to be the busiest on record," said Shaun Mathew, a partner at law firm Kirkland & Ellis LLP who advises companies on how to prepare for and respond to activists.

"Companies are concerned

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Chefs Turn to Fowl Play With Turkey Ice Cream, Soda, Pizza

* * *

Thanksgiving flavors inspire mashup dishes; 'they somehow make it work'

By Charles Passy

At his pizzerias in the Buffalo, N.Y., area, proprietor Nick Argy likes to get creative with his toppings by offering pies with options from fig jam to chicken fingers. Come November, he takes things to the next level. He puts the entire traditional Thanksgiving spread—turkey, gravy, mashed potatoes, stuffing, corn, cranberry sauce—on a pizza.

"It's just something about the holiday," says Mr. Argy, owner and chef behind Macy's Place Pizzeria. "Or maybe I'm a weird guy."

Mr. Argy might be more in the mainstream these days. Increasingly, restaurants of all kinds are getting in on the

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INSIDE

PERSONAL JOURNAL
The quiet bullying of group-chat exclusion has grown as children's lives shift online. **A11**

LARS BARON/GETTY IMAGES

SPORTS
A 2-0 loss to Ecuador spoils host nation Qatar's opening night at the World Cup. **A14**

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U.S. NEWS

THE OUTLOOK | By Harriet Torry

As Savings Shrink, Spending at Risk

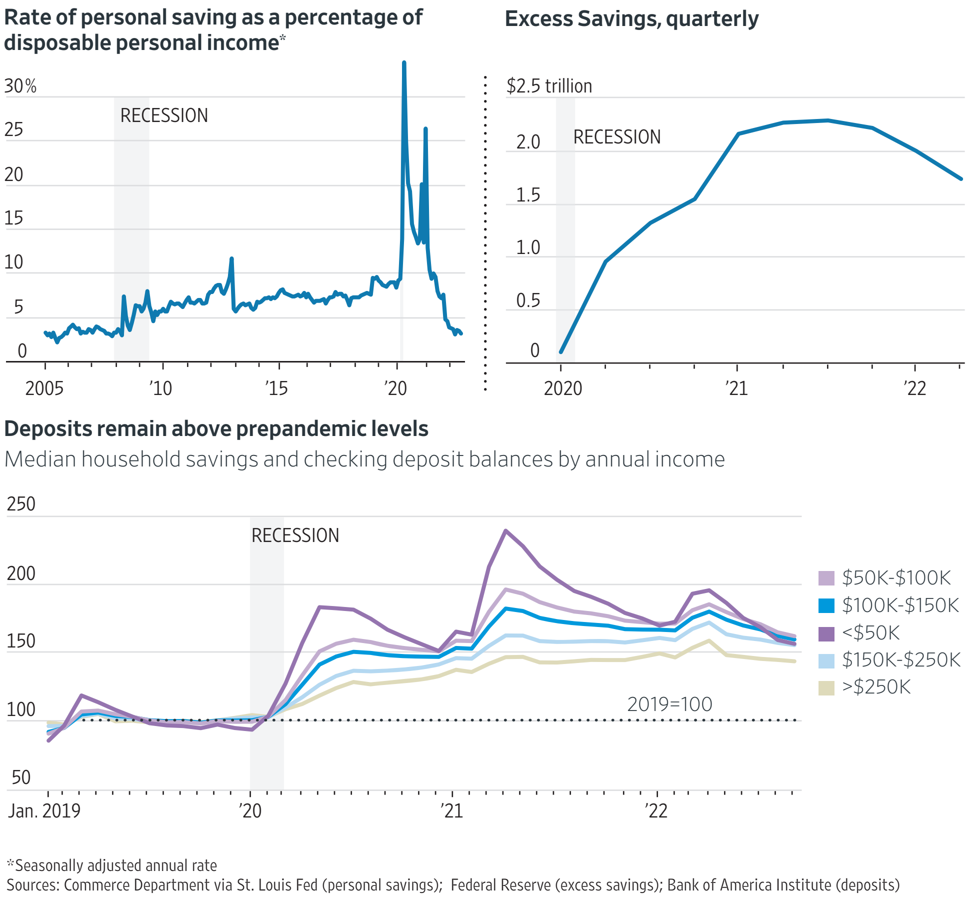
It is the $1.7 trillion question for the U.S. economy: How long can the savings consumers built up during the pandemic keep their spending going?

The answer: about nine to 12 more months.

Consumers built up unprecedented savings buffers during the Covid-19 pandemic, thanks to government stimulus and fewer opportunities to spend. The extra cash helped households pay down debt, buy goods like new appliances and furniture during lockdowns and take vacations once restrictions lifted. It gave businesses leeway to raise prices and hire more workers to meet stronger demand.

Economists estimate that headed into the third quarter of this year, households still had about $1.2 trillion to $1.8 trillion in "excess savings"—the amount above what they would have saved had there been no pandemic.

That buffer, combined with a strong labor market and rising wages, has helped consumers continue spending in recent months, even with inflation and mortgage rates at multidecade highs. U.S. retail sales posted their strongest gain in eight months in October.



Nonetheless, there are also signs they are working their way through that buffer, and an end is in sight.

This can be seen in how much consumers are saving and borrowing monthly.

In 2019, before the pandemic hit, households saved 8.8% of their disposable income. That saving rate jumped to 16.8% in 2020, the highest annual saving rate on record, as government stimulus and unemployment benefits left many consumers flush with cash but with few opportunities to spend during lockdowns.

In 2021 the saving rate moderated to 11.8%, and it has fallen further during 2022. The rate has been below 4% for seven straight months and in September it stood at 3.1%, near its lowest level since the 2008 financial crisis.

Consumers had also used their hefty savings to pay down credit-card debt. There are signs that has changed too. The Federal Reserve Bank of New York said credit-card balances increased 15% year-over-year in the third quarter, the largest increase in over two decades. The rate of delinquency, that is debt more than 30 days past due, rose across income groups.

These changes should steadily chip away at households' mountain of savings.

Reduced saving rates can be a sign of financial stress, said Ian Shepherdson, chief economist of Pantheon Macroeconomics. But he said that isn't the case in aggregate now given consumers are running down a pile of cash.

Economists' estimates for how much consumers have left vary. Mr. Shepherdson puts it at $1.3 trillion and estimates that at the current rate of rundown, that could last another year or so. JPMorgan Chase & Co. put the hoard at about $1.2 trillion to $1.8 trillion in the third quarter, and said it could be entirely spent by the second half of next year.

Goldman Sachs economists estimate households have drawn down about 25% of excess savings and will have spent about 60% by the end of 2023. "The growth boost from strong balance sheets is probably mostly behind us but...elevated wealth levels will provide a backstop to spending for households that are hit with a negative economic shock," they wrote this past week.

Analysts say a feature of this holiday spending season will be the divide between high-income households that still have savings and low-income households that have spent most of their rainy-day funds and are being squeezed by food, gasoline, and shelter inflation.

Economists at the Federal Reserve last month said households in the top half of the income distribution held the lion's share of excess savings in mid-2022 at $1.35 trillion, and the lower half of the income distribution held about $350 billion.

"It's going to be an upscale holiday season, with strong spending in luxury names, experiential travel, upper-end resorts—and a more modest holiday season in bottom [income] quintiles," said Joseph Brusuelas, chief economist at RSM US LLP.

Recent earnings reports suggest American consumers are still spending, although retailers are concerned about how long that can last. Walmart Inc., Lowe's Cos. and Home Depot Inc. all reported higher sales in the most recent quarter.

"One of the things that's assisted that thus far is relatively strong balance sheets among consumers assisted by stimulus payments," Walmart's finance chief, John David Rainey, told investors. But because consumers are stressed by inflation, "that's not going to last forever. So that's why we take a rather cautious view on the consumer."

With the labor market still strong, economists don't expect consumers to dramatically rein in their outlays until they see unemployment rising and become concerned about losing their jobs. Economists surveyed by The Wall Street Journal last month expected employers will start cutting jobs in the second and third quarters of next year.

ECONOMIC CALENDAR

Wednesday

The **Federal Reserve** releases **minutes** from its November monetary-policy meeting, where officials approved a 0.75-percentage-point increase in its benchmark federal-funds rate while also signaling plans to keep raising rates. The minutes will provide more details on the discussions over the decision.

S&P Global releases November business-activity surveys from around the world. The data firm's U.S. **composite purchasing managers index**—which measures activity in the manufacturing and services sectors—indicated that the U.S. economy contracted at a faster pace in October compared with the prior month, led by a sharp slowdown in services activity.

The Commerce Department releases October figures on new orders of long-lasting goods. Overall orders for **durable goods** rose in September.

The Labor Department reports the number of worker filings for unemployment benefits in the week ended Nov. 19. **Initial jobless claims** recently have hovered near the 2019 average of around 218,000.

The Commerce Department releases October **new-home sales,** which account for about 10% of the housing market. Sales of newly built homes dropped sharply in September from the previous month as rising interest rates caused a slowdown in the housing market.

The University of Michigan releases its final reading of **consumer sentiment** for November. Consumer sentiment sank after improving in the last four months as high inflation and economic uncertainty weighed on consumers, the initial reading said.

Thursday

U.S. stock and bond markets are closed for Thanksgiving.

Five Dead In Colorado Shooting

Continued from Page One

others," Chief Vasquez said. "We owe them a great debt of thanks."

Police received a phone call about the shooting at Club Q at around 11:57 p.m. local time, Lt. Pamela Castro said.

The first officers got to the club by midnight and the suspect was detained by 12:02 a.m., she said.

Police identified the suspect as 22-year-old Anderson Lee Aldrich. He was in custody in a local hospital receiving treatment for injuries sustained in the attack, authorities said.

The shooting comes six years after a mass shooting at an LGBT nightclub in Florida.

The Federal Bureau of Investigation was assisting in the case, authorities said.

No motive has been determined and it wasn't clear how many people were in the club when the shooting began, authorities said.

The suspected gunman entered the club wearing body armor and began firing with an AR-15-style rifle, said a law-enforcement official who has been briefed on the shooting.

"Our community has been devastated," said Matthew Haynes, one of Club Q's owners, at a vigil Sunday. "Club Q doesn't have employees, Club Q doesn't have customers. Club Q has family and community."

One of the victims was 28-year-old Daniel Davis Aston, who worked at Club Q, his father, Jeff Aston, said.

"He was a beautiful, loving soul with a lot to offer the world," Mr. Aston said. "Everybody that met him liked him."

Club Q had hosted a "Drag Divas Drag Show" on Saturday night, according to its website. It had planned a brunch for Sunday in honor of Transgender Day of Remembrance and a special "Friendsgiving" dinner on Thursday.

Lt. Castro said the club "is a safe haven for members of our community."

Some of the injuries might have occurred as patrons fled the scene, she said.

An individual with the same name as the suspect had a previous run-in with law enforcement. He was arrested in June 2021 following a bomb threat in the Lorson Ranch neighborhood of Colorado Springs and booked on several charges, the El Paso County Sheriff's Office said at the time.

After the bomb threat, law enforcement confiscated firearms from Mr. Aldrich, according to a second law-enforcement official.

Authorities said during Sunday's news conference that they were investigating Mr. Aldrich's history and had no immediate information to share about any previous arrest.

JASON CONNOLLY/AGENCE FRANCE-PRESSE/GETTY IMAGES

Mourners embraced on Sunday at a memorial for the victims of the shooting at Club Q in Colorado Springs, Colo.

Colorado Gov. Jared Polis, a Democrat who in 2018 became the first openly gay man ever elected governor in the U.S., called the attack sickening.

"We are eternally grateful for the brave individuals who blocked the gunman, likely saving lives in the process," he wrote on Twitter.

President Biden said on Sunday that the U.S. needed additional gun-safety measures, including an assault weapons ban.

"We must address the public-health epidemic of gun violence in all of its forms," Mr. Biden, a Democrat, said.

The shooting comes six years after another mass shooting at an LGBT nightclub in Orlando, Fla., that killed 49 people.

Colorado Springs, about 70 miles south of Denver, has a population of about 480,000.

—Michael Wright contributed to this article.

THE WALL STREET JOURNAL

(USPS 664-880) (Eastern Edition ISSN 0099-9660)
(Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2241)

Editorial and publication headquarters: 1211 Avenue of the Americas, New York, N.Y. 10036

Published daily except Sundays and general legal holidays.
Periodicals postage paid at New York, N.Y., and other mailing offices.

Postmaster: Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicopee, MA 01020.

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CORRECTIONS & AMPLIFICATIONS

Minimum distributions from a SEP-IRA are required starting April 1 after the calendar year in which you either turn 70½, if you were born before July 1, 1949, or turn 72, if you were born after June 30, 1949. An article in the Journal's Encore retirement report on Thursday incorrectly said minimum distributions are required after age 72½, unless your 70th birthday is July 1, 2019, or later, in which case you do not have to take withdrawals until age 72. SEP-IRA contributions don't reduce taxable income when the accountholder is self-employed, nor can contributions for oneself be counted as a business expense. Also, earnings contributed to SEP-IRAs are subject to Social Security and Medicare taxes. The article incorrectly said that such contributions were generally 100% tax-deductible and counted as business expenses. In addition, wage earnings income needs to be reported to the IRS and Social Security and Medicare taxes withheld; but income tax might not be owed, partly as a result of the standard deduction. The article incorrectly suggested income tax would be owed on any income over $400 a year. And, lastly, any reductions in Social Security benefits paid out are based on one's expected earnings in the same year the benefits are received. The article incorrectly said Social Security benefits can be reduced based on your income two years prior.

FTX was slammed with customer withdrawals on Nov. 6. A Page One article on Saturday about the collapse of the crypto empire incorrectly said the withdrawals took place Nov. 7.

Chicago O'Hare International Airport was No. 14 on the Journal's airport rankings. An Exchange article about airline hubs Saturday incorrectly said it was No. 16.

A headline on a U.S. Watch item Saturday on the Federal Communications Commission's broadband map mistakenly cited broadband caps instead of gaps.

Readers can alert The Wall Street Journal to any errors in news articles by emailing **wsjcontact@wsj.com** or by calling 888-410-2667.

State Hits Roadblock On Electric Truck Plan

By Paul Berger

An ambitious California plan to require trucking fleets in the state to switch from diesel to electric power faces a potential backup at charging stations.

The California Air Resources Board is proposing phasing out older big rigs operating in the busy corridors shuttling shipping containers between ports, rail yards and warehouses and require that all new vehicles be powered by clean fuels starting in 2024. From 2025, the state would bar trucks powered by internal combustion engines that have more than 800,000 miles on them from operating at ports and rail yards.

The goal is to push more than 30,000 heavily polluting trucks to clean energy by 2035. Trucking industry officials say there is a big gap between the target and the charging infrastructure that barely exists today and would take years to build.

"Nobody is saying we don't want to move to advanced technology," said Matt Schrap, chief executive of the Harbor Trucking Association, an advocacy group that represents thousands of the state's port truckers. Truckers can't meet the deadline, he said, "because there's no charging."

The conflict between infrastructure and ambitions in California highlights the challenges that states face as they try to push some of the most heavily polluting sectors of the logistics industry toward clean fuels.

California leads the nation in its bid to wean drivers off gas- and diesel-powered vehicles. CARB, the state's main regulatory body for air quality, passed rules this summer banning the sale of new gasoline-powered cars by 2035.

The latest proposed rule, which also pushes fleets of vans, long-haul trucks and buses to transition to zero-emission vehicles over varying timelines, is aimed at creating a market for dealers by forcing truckers into clean-energy rigs. The state regulatory board is expected to vote on the rule next spring.

Tony Brasil, a clean-energy trucking specialist at CARB, said the regulations solve a chicken-and-egg problem. Truckers won't buy vehicles without a charging infrastructure in place, he said, but companies won't invest in charging stations if they can't be certain of demand. Requiring that dealers and truckers make the switch should give companies confidence to invest in charging stations, Mr. Brasil said.

Truckers say they face big challenges in moving to electric trucks. The trucks tend to cost two or three times as much as diesel trucks, which

The industry cites a big gap between the target and charging infrastructure.

retail for about $150,000. Most electric trucks today have a range of between 100 and 200 miles between charges, making longer trucking routes impractical.

Aaron Brown, senior vice president of port services for logistics and trucking operator NFI Industries, said the Camden, N.J.-based firm is introducing about 90 electric trucks in Southern California over the next year. NFI is also installing dozens of chargers across three depots that are close to ports and warehouses.

The firm has plenty of customers that rely on roughly 90-mile, round-trip routes shuttling cargo between nearby ports and warehouses. It also has customers willing to pay a premium for a zero-emissions haul.

Chris Shimoda, senior vice president of government affairs at the California Trucking Association, said it would be harder for smaller companies and independent truckers to operate electric trucks without a public charging network.

NEETA SATAM FOR THE WALL STREET JOURNAL (2)

V8 Speed & Resto Shop in Illinois, owned by Kelle Oeste, below, has recently started requiring customers to make prepayments on orders exceeding $2,000.

Higher Rates Squeeze Small Businesses

By Ruth Simon

Add rising interest rates to the challenges that small businesses are already grappling with, including inflation, labor shortages and strained supply chains.

Some small businesses are cutting back on borrowing, paying down debt or delaying expansion plans as interest rates rise. Others worry that rising rates will boost prices charged by suppliers and crimp customer demand.

V8 Speed & Resto Shop, which specializes in restoring and upgrading muscle cars, began asking customers to prepay for parts orders totaling $10,000 or more two years ago as delivery times lengthened. This fall, with interest rates rising, it began requiring prepayments on orders exceeding $2,000, to reduce financing costs incurred when it pays vendors upfront but doesn't collect money from customers until the part is installed.

"We're trying not to need the lines of credit or the credit card," said Kelle Oeste, owner of the 28-person muscle-car restoration shop based in Red Bud, Ill.

In November, the Federal Reserve raised its benchmark federal-funds rate by 0.75 percentage point, the fourth such increase this year, and said further rate increases were likely. For small businesses, those rate increases translate to higher costs on everything from credit cards to lines of credit to variable-rate small business loans. New financing has also gotten more costly.

David Gill, chief executive of Cold Freight Services, a provider of dry ice and refrigerated courier services in Austell, Ga., has seen the interest rate on his company's business credit card jump to 20.99% from 17.24% since April. "We use credit cards for everything," including fuel, hotels, supplies and other expenses, said Mr. Gill, who has about 40 employees. "We are kind of hostage to the rate."

Forty-six percent of small-business owners said higher interest rates are affecting their business, according to an November survey of roughly 600 small businesses for The Wall Street Journal by Vistage Worldwide Inc., a business coaching and peer advisory firm. Another 25% of those surveyed said rising rates hadn't yet had an effect, but anticipated they would.

For some businesses, the impact is indirect. Rising interest rates have already hurt sales at Brooklyn SolarWorks, a designer and builder of rooftop solar systems. About one-third of residential customers finance their solar systems, which typically cost $30,000 to $70,000.

Financing options that let buyers buy down their interest rate to 0.99% or 1.99% have largely disappeared, said T. R. Ludwig, CEO of the Brooklyn, N.Y., company, which has 73 employees.

At Reverence, a fine-dining restaurant in the Harlem neighborhood of New York, higher interest rates have pushed monthly debt service costs $2,000 higher, bringing them to $5,000. "For a business like mine, that $2,000 is my paycheck," said chef Russell Jackson, who owns the three-year-old restaurant with his wife Lora.

Higher rates are also compounding the challenges of rising costs and new expenses, such as for Covid tests, and customer traffic that has been slow to rebound. "We are struggling," said Mr. Jackson, who has two employees, down from as many as eight, and is looking for additional financing. "We are fighting tooth and nail."

Christopher Kline said he has reduced hours by 25% for most employees at Eric & Christopher, a Perkasie, Pa., maker of silk-screened pillows and totes, after large retailers with too much inventory cut back on new purchases.

"Normally, I rely on those accounts to help fund research and development," said Mr. Kline.

The owner is delaying investments that could open up new markets. Borrowing to finance those expenditures has become too costly, he said, now that the rate on the company's line of credit has increased to 6.5% from 3.75% in March.

Some small businesses are delaying plans to grow. Kent Adhesive Products Co., a custom coater and converter of adhesives and flexible materials, planned to spend $15 million to expand its manufacturing facility and purchase a new state-of-the-art machine.

"It changed the financials of how the project would look," said Elie Merheb, chief executive of the 80-person manufacturer. "We were nervous about what carrying that debt would do to our balance sheet and income statement," he said.

U.S. Eyes Icebreaker to Patrol Arctic

By William Mauldin And Doug Cameron

The U.S. government is looking to buy an icebreaker from a private energy services company to bolster its presence in the waters around Alaska, according to congressional aides.

The plan is for the U.S. Coast Guard to acquire the Aiviq icebreaker from Edison Chouest Offshore, the aides said. Congress is close to approving funding to buy and outfit the used ship, which is estimated at $125 million to $150 million, they added.

The planned purchase reflects a growing concern over delays in the U.S. government's effort to replace and augment its two aging polar icebreakers with new ones to patrol increasingly contested waters in the Arctic and break a path for supplies to Antarctica. It also comes amid Pentagon worries over the capacity of a shrinking industrial base to meet the military's needs.

The ships are regarded as critical for maintaining U.S. presence in the Arctic as it warms, opening new destinations and shipping lanes in northern waters. Russia already has more than 40 icebreakers and China is building its own new ships to explore the region.

The U.S. uses satellites, aircraft, submarines and smaller vessels to monitor the Arctic and the U.S.-Russia maritime border. Yet on frozen or icy patches of sea, Coast Guard icebreakers are the only way to approach foreign vessels, conduct search-and-rescue operations or launch pollution-control efforts.

Acquiring the 360-foot Aiviq would help fill a gap until the arrival of larger new icebreakers that are due to be built in Mississippi. The first of those new ships is set to be built at a loss-making shipyard that was sold last week to a rival.

ANGELA OWENS/THE WALL STREET JOURNAL

Coast Guard icebreaker Healy, above, in Juneau, Alaska. Acquiring another icebreaker, the 360-foot Aiviq, will help meet needs until the arrival of larger new icebreakers due to be built in Mississippi.

The Aiviq may be based in Juneau, Alaska, according to people familiar with the matter. The service's existing polar icebreakers—the Healy, assigned to the Arctic, and the Polar Star, assigned to the Antarctic—are based in Seattle.

In an interview earlier this month, Vice Adm. Peter Gautier, the Coast Guard's head of operations, said the Coast Guard was evaluating the Aiviq but hadn't yet made a decision. "We haven't announced a specific icebreaker; we're awaiting the congressional funding in order to move out on the final evaluation and procurement."

The Healy visited the North Pole this year but is headed for annual refitting, leaving a winter gap in Arctic patrols. The Polar Star left Seattle in recent days, bound for seasonal deployment in Antarctica.

Edison Chouest, Aiviq's owner, had previously offered to sell the specialized ship—known as an icebreaking, anchor-handling tug-supply vessel—to the Coast Guard, but the U.S. government declined to purchase it.

The family that controls Edison Chouest also owns a stake in Lockport, La.-based Bollinger Shipyards LLC, which earlier this month completed the $15 million takeover of Halter Marine Inc. and an adjacent repair yard.

The deal gives Bollinger access to a $1.83 billion contract to build three new icebreakers for the U.S. The Coast Guard would like to have as many as six new icebreakers.

The Pentagon awarded Halter Marine a deal in 2019 to build the first "polar security cutter," a larger class of ship than the existing U.S. vessels, which are more than 40 years old. A second contract followed last year, but the Coast Guard said Halter Marine had yet to start assembling the first ship—to be named the Polar Sentinel. Delivery has already been pushed back from the initial target of 2024, and the first ship is expected to cost more than $1 billion.

Halter, which used a German icebreaker design, said pandemic-driven travel restrictions have left the program behind schedule. After racking up more than a quarter billion dollars in losses over the past five years, Halter was sold to Bollinger, which unsuccessfully competed for the icebreaker contract.

Bollinger Chief Executive Ben Bordelon said the deal would give the company a facility with deep-water access and no height restrictions from bridges, allowing it to build larger vessels. It is also retaining the 900 Halter employees as shipbuilders.

The Navy relies on just two large builders of ships and submarines—General Dynamics Corp. and Huntington Ingalls Industries Inc.—compared with eight in 1990, according to a Defense Department report on the industrial base published in February.

"The real concern is lack of competition," Bill LaPlante, the Pentagon's current acquisition chief, said earlier this month.

New Yorkers Shovel Out After Huge Snowstorm

By Ginger Adams Otis

Residents of western and northern New York began digging out Sunday from snowfall that was among the most intense on record, even as bad weather continued in other parts of the state.

Many cities and towns east of Lake Erie and Lake Ontario were buried in as much as 5 feet and, in some places, 6 feet of snow by two powerful lake-effect storms.

By Sunday, the skies were fairly clear over Buffalo and Watertown, but for residents of Jefferson and Oswego counties and surrounding areas, the snow and wind continued.

"In that region, they may pick up 2 to 3 feet today," said National Weather Service meteorologist Jon Hitchcock, who is based in Buffalo.

Lake-effect snow occurs when cold air, often from Canada, moves across the warmer waters of the Great Lakes. As the cold air warms, it rises and forms into narrow bands that can generate rapid snowfall.

While most storm bands drop 1 to 3 inches of snow per hour, the rate across New York at the peak of the bad weather reached 6 inches per hour,New York Gov. Kathy Hochul said.

"Without a doubt, this is one for the record books," she said at a press briefing.

Snow began falling late Thursday. By Sunday, the Buffalo suburb of Orchard Park, home of the NFL's Buffalo Bills, recorded at least 77 inches. Around Watertown, near Lake Ontario, observers recorded around 72 inches of snow.

The state record for the most snowfall in a 24-hour period was set in 1966, when 50 inches fell on Camden.

Trump GOP Rivals Edge Into Spotlight

By Alex Leary

LAS VEGAS—A roster of potential candidates effectively opened the race for the Republican Party's 2024 presidential nomination over the weekend, testing campaign themes and seeking to distinguish themselves from former President Donald Trump.

The Republican Jewish Coalition gathering here concluded a weighty week for the GOP, after underwhelming midterm election results secured a narrow House majority but also triggered friction over Mr. Trump's role. The former president, denying culpability, said Tuesday that he would seek the nomination.

Mr. Trump addressed the crowd of 850 Saturday afternoon via satellite from Florida and received a standing ovation. But the event at the Venetian resort served as the first major platform for others seeking to capitalize on a growing appetite for someone else. They included former Vice President Mike Pence, former Secretary of State Mike Pompeo, former New Jersey Gov. Chris Christie, New Hampshire Gov. Chris Sununu and former South Carolina Gov. Nikki Haley. Some huddled privately with donors.

No one generated more excitement than Florida Gov. Ron DeSantis, who had the prime-time speaking slot Saturday and walked on stage to a reception unmatched by others.

"Florida really has a blueprint for success," said Mr. DeSantis, whose resounding re-election victory strengthened his position as the leading alternative to Mr. Trump. He highlighted his rejection of Covid-19 policies and fight with Walt Disney Co. "We've got a lot more to do and I have only begun to fight."

The speakers—including Mr. Trump—generally shared agreement on Republican policies: more domestic energy production, less regulation and taxes, a crackdown on crime and more border security. Some said the disappointments over weak midterms results shouldn't obscure the successes.

"Some of you may be sad but don't be sad when it comes to the House," said Rep. Kevin McCarthy of California, who is poised to become speaker of the new Congress. He cited GOP gains in Democratic strongholds such as New York and the addition of new Black and Latino members.

Few others have gone as far as Mr. Trump in signaling an intention to run. But the jostling among potential presidential candidates shows the former president won't have a clear field, despite an early announcement designed to scare off rivals and lock down supporters.

"If there are multiple candidates, Trump will win hands down," said Ari Fleischer, who served as press secretary for President George W. Bush. "If it's only one or two bona-fide outsider conservatives, it's a fair fight and Trump could lose it."

Party luminaries walked a fine line over the Friday-through-Saturday event, seeking to highlight Mr. Trump's shortcomings without alienating his supporters. Prospective candidates credited the former president's accomplishments, many highlighting his decision to relocate the U.S. Embassy in Israel to Jerusalem from Tel Aviv.

But speakers also made unmistakable attempts to draw contrasts. Some suggested the party must move on from a phase marked by controversy, weak candidates and a string of electoral losses. That echoed sentiment expressed in recent days by other elected Republicans, party activists and donors.

"We have to have this family argument and we need to have it now," said Mr. Christie.

Mr. Pence headlined the event Friday night and signed copies of his new memoir, which details his rebuffing of Mr. Trump's efforts to pressure him to block the congressional certification of President Biden's 2020 victory.

Mr. Pompeo stirred attention ahead of his Friday night speech by tweeting in apparent reference to Mr. Trump: "We were told we'd get tired of winning. But I'm tired of losing. And so are most Republicans."

While Mr. Trump has a strong grass-roots fundraising operation, some major donors have said they would no longer support him. Miriam Adelson, the wife of the late casino magnate Sheldon Adelson, who contributed millions in support of the former president, will stay neutral in the primary, an aide said.

Former President Let Back on Twitter

Elon Musk reinstated Donald Trump's account on Twitter after polling users on the platform, broadening the former president's potential reach days after he declared another run for the White House.

The move also underscored how Mr. Musk has made himself the principal decider on all things Twitter after buying the platform for $44 billion late last month. Mr. Musk had previously said he would establish a content council to weigh in on account reinstatements.

The Twitter poll that Mr. Musk launched Friday recorded 51.8% of votes in favor of reinstating Mr. Trump's account and 48.2% against. "The people have spoken," Mr. Musk tweeted Saturday evening. "Trump will be reinstated."

Representatives for Mr. Trump, who has about 36 million followers on Twitter, didn't respond to a request for comment. Mr. Trump has said he would remain on his own social-media platform.

Kanye West also returned to Twitter. The company had locked his account after Mr. West posted a message that the company said violated its policies. It also then removed an anti-Semitic tweet from Mr. West's account.

—Alison Sider

Republicans Make Inroads With Some Groups

By Aaron Zitner And Anthony DeBarros

In making modest gains in House seats this year, Republicans drew more support from minority and college-educated voters than in other recent elections, chipping away at important pillars of the Democratic coalition in ways that could better position the party for the next election.

Republicans narrowed the Democratic advantage among Latino voters, Black voters and white women with college degrees—important components of the Democratic voter pool—according to AP VoteCast, a large survey of midterm participants. GOP House candidates won a majority of white women in the nation's suburbs, a swing group that helped power the Democratic Party to its House majority in 2018 and backed President Biden in 2020.

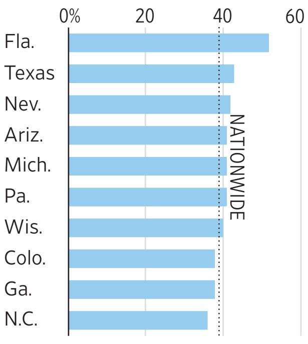
"The numbers indicate that our party has been more successful than we previously knew in getting voters of color moving to the GOP," said Neil Newhouse, a veteran pollster who led polling for several GOP presidential nominees. "Ever since I got involved in politics more than 40 years ago, that's been a long-term goal of the party."

The voter shifts helped Republicans win a majority of House votes nationally, preliminary results show, but weren't strong enough to bring the party substantial gains in House seats. Republicans have so far lost a net of one seat in the Senate, with the final tally to be decided in Georgia's runoff election next month. Still, the gain among these groups "tells me that Republicans are potentially well-positioned to win a national election, if we can replicate this," Mr. Newhouse said.

Ruy Teixeira, a demographer at the American Enterprise Institute, a conservative think tank, said the shift among Latino voters was particularly noteworthy and extends a move toward the GOP that was a feature of the last two presidential elections. "They lost quite a bit among Latinos, and the swing was significant," he said.

Many caveats apply in drawing lessons from a midterm election. Far fewer voters participate than in a presidential contest. The voter shifts detected by AP VoteCast varied widely by state and by whether an election had the potential to restrict legalized abortion. Voters' choices this year might have been driven more by their views of former President Donald Trump and of candidates who copied his style of politics, than by their views of the two parties.

Percentage of Latino or Hispanic voters who chose a Republican House candidate



Note: Selected states
Source: AP VoteCast conducted by NORC at the University of Chicago for the Associated Press, Fox News and The Wall Street Journal

The AP VoteCast survey, which included more than 94,000 midterm voters nationwide, found a number of significant shifts in voter preferences.

Latino voters favored Democratic House candidates by 17 percentage points—giving 56% support to Democrats and 39% to Republicans—a far slimmer lead than the 28-point edge that helped President Biden win in 2020 or the 34-point Democratic advantage in the last midterm elections, in 2018.

Black voters gave 14% of their support to GOP House candidates, up from 8% in the elections of two and four years ago.

White women with college degrees, who had backed Democrats by 19 points in the last midterms and by 21 points in the 2020 presidential election, tipped toward Democrats by a far narrower 6 points this year.

Republicans won an outright majority of white women in the suburbs, carrying the group by 6 percentage points. Suburban white women had backed Mr. Biden by 5 points, and Democratic House candidates in 2018 by 7 points. Female voters overall, who account for over half the electorate, favored Democrats by a single percentage point, down from 12 points and 15 points in the last two elections, respectively.

Some Democrats cautioned that little could be read into results from a midterm election with special conditions. The fate of legalized abortion was a pressing issue in some states, which helped Democratic candidates, and was less salient in others. "I'm skeptical, because it wasn't a national presidential election, and because you have such differences state by state," said Elaine Kamarck, a veteran of the Clinton administration White House who is now a senior fellow at the Brookings Institution.

Analysts said that more data were needed to better understand what the variations among voter groups from state to state meant to the election outcomes. Some early clues suggest the Latino voter shift boosted the GOP vote share in some House races, even if the shift didn't produce a victory.

ASH ADAMS FOR THE WALL STREET JOURNAL (2)

Republican Sen. Lisa Murkowski, left, who voted to convict former President Donald Trump, and GOP challenger Kelly Tshibaka, backed by Mr. Trump, are in a close race.

Votes in Alaska Senate, House Races Still Being Tallied

By Lindsay Wise

Alaska's Senate and House races are inching toward resolution, with the two high-profile contests pulling up the rear of the midterm elections because of slow counting and the state's ranked-choice voting system.

In the House race, Democratic Rep. Mary Peltola was running well ahead of her Republican rivals, former Gov. Sarah Palin and Nick Begich III, but shy of the majority needed to win in the first round. In the Senate race, incumbent GOP Sen. Lisa Murkowski was neck and neck with her Trump-endorsed Republican challenger Kelly Tshibaka, jumping into a slight lead in the latest round of votes.

Alaska is a sprawling state with few rural roads where residents have until Election Day to postmark their absentee ballots, delaying the tabulation of votes. In 2020, former President Donald Trump won Alaska by 10 points, but the race wasn't called until about a week after Election Day.

Following the latest update from the Alaska Division of Elections on Friday, Ms. Peltola now leads with 48.7% of the vote, according to the Associated Press. Among Republicans, Ms. Palin, backed by Mr. Trump, has 25.8%, while Mr. Begich has 23.4%.

In the Senate race, Ms. Murkowski had 43.3% to Ms. Tshibaka's 42.7%. Democrat Pat Chesbro had 10.3%. Almost all of the votes have been counted in both races.

Nationally, Republicans will control the House next year, while Democrats will control the Senate. The Alaska result won't affect the party makeup of the Senate, as a Republican—either Ms. Murkowski or Ms. Tshibaka—is sure to win the seat. On the House side, a win by Ms. Peltola will narrow the GOP advantage.

Under Alaska's new ranked-choice voting system, voters can rank all candidates in order of preference on their ballots. If no candidate gets a majority of the first-choice votes, the fourth-place finisher is eliminated, and his or her supporters' second choices are redistributed to the other candidates. The process is repeated until a candidate gets more than 50% of the vote.

The ranked-choice tabulation is scheduled for Nov. 23.

Ms. Peltola, a Yup'ik Eskimo and former state legislator, became the first woman to represent Alaska in the House and the first native Alaskan in Congress when she defeated Ms. Palin the first time they met in a special election in August.

Ms. Murkowski is one of seven Senate Republicans who voted to convict former President Donald Trump on a count of inciting an insurrection related to the Capitol riot, and she is the only one facing reelection this year. Mr. Trump vowed to oust her from the Senate.

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President Biden

Age Issue Dogs Biden As He Turns 80

By Tarini Parti And Natalie Andrews

President Biden turned 80 on Sunday, becoming the first octogenarian to hold the office, as he mulls a re-election bid and faces fresh concerns about his age among voters and some Democratic officials.

Mr. Biden, who celebrated Sunday with a family brunch, was the oldest president to assume office and, if re-elected, would be nearly a decade older than the oldest second-term president, Ronald Reagan, who was 73 years old at his 1985 swearing-in. Mr. Biden's recent verbal miscues have added to concerns from some in his party about his age, and polls show many voters also have doubts.

He said during his 2020 presidential campaign that he viewed himself as a bridge to the next generation of Democratic Party leaders. Some lawmakers and party officials say that Mr. Biden should step aside for that new group.

Republicans are expected to focus on Mr. Biden's age if he runs in 2024.

"I think he's done a wonderful job of being the bridge that he promised to be," said Rep. Dean Phillips (D., Minn.). "The issue is that it is just time for a new generation of leaders to participate."

The president and his allies say they view the Democrats' stronger-than-expected performance in the midterm elections as a sign that voters support Mr. Biden's agenda and a reflection of his ability to stitch together a successful coalition of backers for the party. Mr. Biden said recently that it remains his intention to run again. He is expected to make a decision by early next year.

"Tom Brady won a Super Bowl when he was like 43," said Larry Drake, chairman of the Rockingham County Democrats in New Hampshire. "I think we have to reassess our views of aging and all that."

Andrew Bates, a White House spokesman, said Mr. Biden has had a successful legislative record in his first two years in office, and he pointed to the midterms outcome and a multicountry foreign trip the president took over the past week as additional signs he is doing his job well.

Mr. Biden's remarks after the midterms and during the trip, however, also highlighted his misstatements. He referred to Cambodia, the first stop on his Asia trip, as Colombia, and he mixed up the Ukrainian city of Kherson with the Iraqi city of Fallujah.

Republicans are expected to make his age an issue if he runs in 2024. Some 86% of Americans said they believe the cutoff for serving as president should be age 75 or younger, a recent Reuters/Ipsos poll found.

Former President Donald Trump, 76, recently announced that he would run again for president in 2024. Mr. Biden sees himself as the best candidate to take on Mr. Trump because he beat him in 2020.

Liano Sharon, a Democratic National Committee delegate from Michigan, said he thinks the president has "lost a step." "You can see the differences between how he used to be and how he is now," said Mr. Sharon.

—Catherine Lucey and Ken Thomas contributed to this article.

U.S. NEWS

Divided Congress to Take On Farm Bill

BY KRISTINA PETERSON

WASHINGTON—House Republicans had a tough time passing the last farm bill, when they had a sizable majority in 2018. It's about to get much harder.

The bill, always a big lift for any Congress, is typically reauthorized every five years. The current version expires at the end of September next year, setting up a looming legislative headache for GOP Leader Kevin McCarthy of California, who will have a slim majority if he is elected speaker in January.

The cornerstone of U.S. food and agriculture policy, the farm bill funds a safety net for farmers through crop insurance and support for those growing key commodities, as well as nutrition programs run by the Agriculture Department, primarily food stamps.

Spending on current farm-bill programs is projected to cost almost $1.3 trillion over 10 years, with about 84% of that going to support the food-stamp program, according to the nonpartisan Congressional Research Service. Congress also approved roughly $20 billion for farm-bill conservation programs this summer, outside of the normal farm-bill cycle.

While spending on food stamps is always a bone of contention between the two parties, that debate is expected to intensify next year as part of a broader battle over whether the safety net expanded during the Covid-19 pandemic should be reined in.

Republicans have often split over the farm bill, which since the 1970s has yoked support for farmers, including crop insurance, to funding for food stamps. While that pairing has enabled the bill to draw bipartisan support from lawmakers in both rural and urban areas, it has also sparked rebellions from some conservative Republicans, who want to split off food stamps and enact stricter curbs around their use.

The cost of the food-stamp program has risen since the 2018 farm bill, when it made up 76% of the cost, because of aid Congress authorized during the pandemic and changes the USDA made to how the benefits are calculated.

Republicans largely say it is time to return to prepandemic levels of assistance and that keeping too much government aid can discourage people from looking for work. Democrats say the safety net's expansion has helped reduce hunger and that helping people afford food doesn't dissuade them from working.

GOP leaders will face a challenge, regardless of whether they try to pass a farm bill reflecting GOP policy goals on their own, or a compromise bill with Democratic support. Ultimately, to pass a farm bill the House will need to agree on legislation with the Democratic-led Senate, where 60 votes are needed to pass most legislation.

"Absolutely you're going to see a GOP-led farm bill pushing for more accountability within the SNAP program," said Rep. Kat Cammack (R., Fla.). "There needs to be an understanding that this is not a lifestyle."

"The Republican frame of why people aren't working is wrong," said Rep. Ro Khanna (D., Calif.). "Depriving them of nutritious food is not going to propel them into the workplace."

Some conservatives have objected in years past to its price-support program for the U.S. sugar industry, and some are pushing to winnow spending on support programs for farmers growing major commodities. The latest budget proposal from the Republican Study Committee, a conservative group that includes much of the House GOP, calls for paring back spending on crop insurance, commodity-support programs and conservation programs, and eliminating dairy subsidies.

U.S. WATCH

NEW YORK

Two Arrested After Anti-Semitic Threats

Two men carrying a hunting knife and an illegal gun were arrested in Manhattan early Saturday in connection with making an alleged threat against the Jewish community, New York Police Department officials said.

A Glock 17 firearm and a 30-round magazine were recovered, officials said.

Metropolitan Transportation Authority police officers made the arrests after being alerted about the men by members of the Federal Bureau of Investigation and NYPD's Joint Terrorism Task Force, according to officials.

One of the men is suspected of making remarks on social media that prompted a member of the Jewish community to alert federal investigators, according to a person familiar with the matter. He was charged with making a terroristic threat, aggravated harassment and criminal possession of a weapon, the NYPD officials said. The other person arrested was charged with criminal possession of a weapon, according to the officials.

"As a joint investigation now continues to establish a strong prosecution, police department commanders are strategically deploying assets at sensitive locations throughout New York City," NYPD Commissioner Keechant Sewell said.

—James Fanelli

NEW YORK

Retired Albany Bishop Asks to Be Defrocked

The retired Catholic bishop of Albany has taken the extraordinary step of asking Pope Francis to remove him from the priesthood, saying he is unable to minister as a clergyman because of sex-abuse allegations, which he denies.

Bishop Howard Hubbard, 84, said Friday that he had "asked the Vatican for relief from my obligations as a priest and permission to return to the lay state." The Vatican didn't respond to a request for comment Saturday.

Laicization, or the process of removal from the clergy, is extremely rare in the case of bishops, and even more so at a bishop's own request.

Bishop Hubbard said in his statement that he had hoped to continue serving as a priest in retirement but was prohibited by church policy from functioning publicly as a priest because of the allegations.

—Francis X. Rocca

WASHINGTON

Biden Granddaughter Weds at White House

President Biden's granddaughter Naomi Biden married Peter Neal at the White House Saturday in the 19th documented wedding at 1600 Pennsylvania Ave.

The president and first lady hosted the wedding festivities, which included an 11 a.m. ceremony on the South Lawn, attended by about 250 guests, a lunch for family and the wedding party and an evening reception. Ms. Biden Neal, 28 years old, an attorney, is the eldest daughter of the president's son Hunter Biden.

The couple becomes part of a tradition that dates to 1812, when Dolley Madison's sister wed at the White House.

President Richard Nixon's daughter Tricia Nixon Cox had her wedding in the Rose Garden in 1971. President Lyndon Johnson's daughter Lynda Johnson Robb was married in the East Room in 1967.

—Catherine Lucey

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Disney Hires Back Iger as CEO

Continued from Page One
sure from multiple activist hedge-fund investors this year.

Trian Fund Management LP bought more than $800 million worth of Disney stock in the days following the company's lackluster earnings report, according to people familiar with the matter.

The stake isn't as large as Trian would like it to be and will likely grow, subject to market conditions, they said.

The influential activist fund, which was founded by Nelson Peltz, Ed Garden and Peter May, is seeking a seat on Disney's board as it pushes the entertainment giant to make operational improvements and cut costs, according to the people. Trian has studied the business for a long time, they added.

The fund's view is that Mr. Iger shouldn't be back in control of the company, the people said.

Trian officials argue that Disney in recent years has erred in its mergers-and-acquisitions strategy, the people said. For example, Trian believes that Disney vastly overpaid when it spent $71.3 billion to bring under its umbrella the major entertainment assets of 21st Century Fox Inc., they said. (Fox's corporate sibling, News Corp, owns The Wall Street Journal.)

Trian is known for encouraging changes at the companies it targets, such as the breakup or sale of underperforming divisions or moves to improve efficiency and better use capital. Mr. Peltz has previously served on the board of other consumer-goods companies including Mondelez International Inc., Kraft Heinz Co. and, more recently, Unilever PLC, the maker of Dove soap and Hellmann's mayonnaise.

Trian's interest comes after activist investor Dan Loeb's Third Point LLC said in August that it had taken a stake in Disney stock after having liquidated its position earlier this year. Mr. Loeb sent a letter to Mr. Chapek asking for major changes to the business. He called for Disney to spin off ESPN, refresh its board and cut spending, though a month later he backed off on the demand to change control of the sports channel.

NIKKI RITCHER FOR THE WALL STREET JOURNAL

Bob Chapek's tumultuous time as Disney chief was marked by the coronavirus pandemic that shut its parks around the world.

In response to Mr. Loeb's suggestions, the company appointed Carolyn Everson, a veteran digital advertising executive, to its board, and agreed to a standstill with Third Point.

In an email to employees Sunday night, Mr. Iger said he was returning to the company.

"It is with an incredible sense of gratitude and humility—and, I must admit, a bit of amazement—that I write to you this evening with the news that I am returning to the Walt Disney Company as Chief Executive Officer," he wrote in the email viewed by The Wall Street Journal.

Several top Disney executives first learned the news that Mr. Iger was returning after they read the Sunday email, some of them while together attending an Elton John concert at Dodger Stadium in Los Angeles that was streamed live on Disney's flagship streaming service Disney+, according to people familiar with the matter.

Some of those who were expected to attend the concert included Dana Walden, head of general entertainment content, Craig Erwich, head of content for the Hulu streaming service, Ayo Davis, head of Disney Branded Television and newly appointed Disney+ president Alisa Bowen, the people said.

Mr. Chapek was also expected to attend the event, and the company had planned for him to introduce Mr. John from the stage before the concert according to two people with knowledge of the plans, but it's not clear if Mr. Chapek attended, they said. Other Disney employees said they were baffled by Mr. Iger's Sunday email, and immediately began asking if the message to employees was real, or if it came from a hacked email account.

Negotiations between Mr. Iger and the board to return as CEO were initiated only in recent days, according to a person familiar with the talks.

Mr. Iger, 71 years old, has said publicly on at least two occasions over the last year that he is not interested in returning to Disney. In recent months he has focused on investing in and advising startups, particularly in the technology industry.

Adding to the surprise, Mr. Chapek, 62, who has served as CEO since February 2020, over the summer saw his contract renewed through the end of 2024.

At the time, Ms. Arnold, the board chair, said that while the company was "dealt a tough hand by the pandemic," Mr. Chapek "not only weathered the storm but emerged in a position of strength."

The renewal was closely watched after Disney's high-profile dust-up earlier this year with Florida Gov. Ron DeSantis, a Republican. Disney, which employs more than 70,000 people in the state, stepped into the debate over a controversial education bill in Florida that limits classroom instruction on gender identity and sexual orientation for children through the third grade and says material for older children must be "age appropriate."

Companies Brace for Activism

Continued from Page One
it will draw in first-time activists who think they can take advantage of the new system to threaten proxy contests to create leverage to advance their agendas," he said.

Even before the proxy change, a surge in newcomer activists had been building, with many taking their cue from then-little-known hedge fund Engine No. 1 LLC, which prevailed in a proxy battle against Exxon Mobil Corp. in 2021. The first-time activist won three board seats after arguing the oil giant was a climate laggard, while owning just a tiny fraction of its stock.

Since then, a raft of other rookie activists have launched campaigns at companies including Hasbro Inc. and Wall Street Journal parent News Corp. (In some cases, these first-timers have been started by people who used to work at big-name shops like Elliott Management Corp.)

Strive Asset Management, founded earlier this year, sent letters in September to the boards of Apple Inc. and Walt Disney Co., urging them not to let a focus on ESG get in the way of corporate decision-making. Strive also publicly called on Chevron Inc. to pump more fossil fuels over the next decade and slow spending on its energy-transition plan.

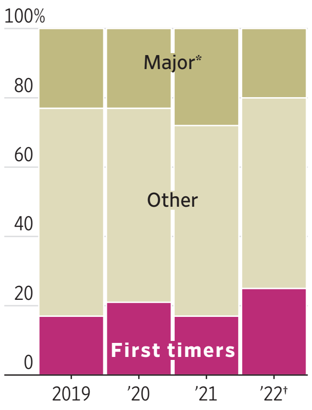
Through September this year, about 25% of activist campaigns launched globally at companies with market capitalizations over $500 million have been spearheaded by first timers, up from 17% in all of 2021, according to data compiled by Lazard's Capital Markets Advisory group. Overall, there were 171 campaigns launched as of Sept. 30, up 39% from the same period in 2021, as activists seek out cheaper entry points to place their bets.

That could in turn provide a fillip to a depressed merger market. After a record year in 2021, about $1.4 trillion of deals have been struck in the U.S. through mid-November, down 41% from the comparable period, according to Dealogic.

Campaigns pushing for mergers and acquisitions had accounted for 38% of all activist activity through September, according to Lazard, with the number of "sell the company" demands exceeding totals in both 2021 and 2020.

"When M&A is a little bit slower, activism continues to be fairly busy," said Alfredo Porretti, head of shareholder engagement and M&A capital markets in North America for JPMorgan Chase & Co.

Percentage of types of activists launching campaigns globally



*Companies with market capitalizations greater than $500 million †As of Sept. 30
Source: Lazard Capital Markets Advisory team

If there isn't an immediate and logical buyer for a company—as rising interest rates have made financing deals more difficult, in particular for buyout firms—activists might instead push for spinoffs or breakups, according to Bill Anderson, a senior managing director at Evercore Inc. and head of the firm's global activism-defense business.

The Journal reported earlier this month that Carl Icahn has a sizable stake in Crown Holdings Inc. and believes the beverage-can maker should, among other things, shed noncore units.

The Journal also reported in September that Jana Partners LLC has a nearly 10% stake in Freshpet Inc. and believes the pet-food company could be an attractive target for larger competitors.

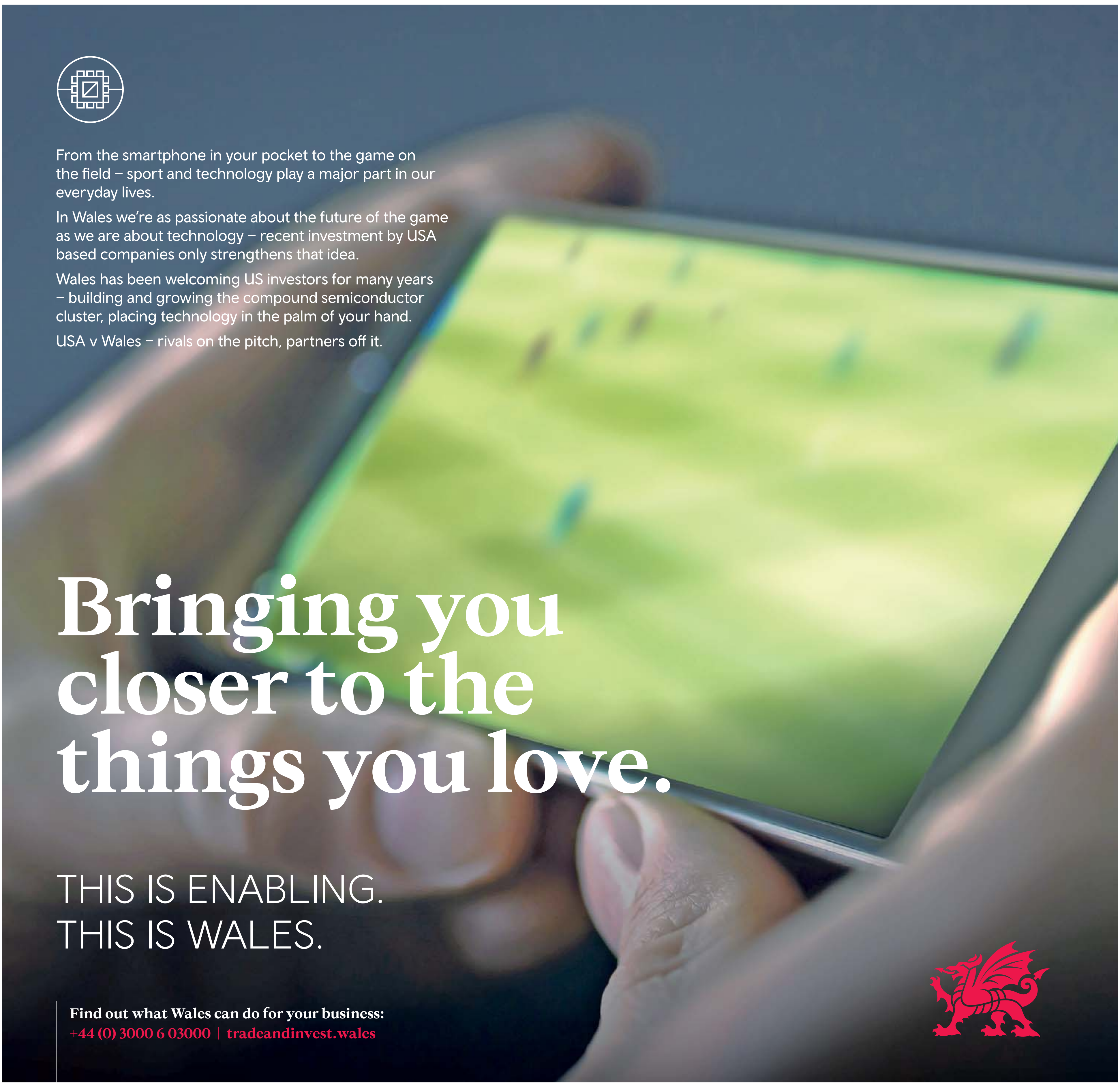
Technology is "by far" where Mr. Anderson said he expects the most activism in 2023, with many companies in the sector seen as potential deal targets after the Nasdaq Composite Index has fallen about 29% this year.

Peter Michelsen, head of activism and shareholder advisory at Qatalyst Partners, echoed that view.

"Particularly in technology, there has been a very dramatic shift from investors primarily focusing on growth to investors focusing on profitable growth, which has opened up a lot of potential vectors for activists pushing on operational improvements," he said.

Investment firm Altimeter Capital said in an open letter to Mark Zuckerberg last month that Facebook parent Meta Platforms Inc. should slash staff and pare its metaverse ambitions. Then activist hedge fund TCI Fund Management called on Google parent Alphabet Inc. to aggressively cut costs and reduce losses in long-term bets such as its self-driving-car business, Waymo.

Activists always run the risk of catching the proverbial falling knife, Kirkland's Mr. Mathew said. "But I still don't see that outweighing the exuberance in the activist community right now," he said.



WORLD NEWS

Ukraine Urges Exits Amid Energy Woes

Emergency teams in recaptured areas work to fix infrastructure damaged by Russia

By Ian Lovett

CHRIS MCGRATH/GETTY IMAGES

Ukrainian soldiers on Saturday searched destroyed parts of Kherson International Airport following the departure of Russian troops.

ODESSA, Ukraine—Ukrainian officials encouraged people from recently recaptured territories to evacuate, as the country tries to ease the strain on its damaged electric grid ahead of the winter.

Deputy Prime Minister Iryna Vereshchuk said on Saturday that evacuations from recently reclaimed territory in the southern Kherson region would be voluntary, and that the state would pay the cost of transportation.

"Everyone can go to safer regions if they wish, and the state will ensure their delivery, accommodation, medical care and so on," Ms. Vereshchuk said.

The calls to evacuate come as the situation around Ukraine's electricity generation becomes increasingly dire.

Over the past six weeks, Moscow has hammered Ukraine's grid with more than 1,000 missile strikes and drone attacks, Ukrainian energy officials said. Almost half the country's power-producing capacity has been disabled.

Last week, President Volodymyr Zelensky said 10 million people in Ukraine were without power. The city of Kherson and much of the surrounding region reclaimed by Ukrainian forces this month remain without electricity or water, as do many other front-line areas. Scheduled power outages leave residents of Kyiv, the capital, without electricity for 12 hours a day. Government-communications campaigns on television and smart-phone applications tell people how to prepare for blackouts and conserve electricity.

In many areas, heating is tied to the electric system, making prolonged power outages potentially deadly over the country's freezing winter. Kyiv had its first snow of the season last week. Local governments are setting up heating centers, with power generators and water, for residents who lose utility services.

Ukrainian Energy Ministry officials said emergency teams were working 24 hours a day across the country to repair damaged infrastructure, but had run out of some spare parts. Partner nations, particularly former Soviet states with similar electricity components, are expediting deliveries, including used transformers, which would help rebuild capacity, the officials said.

Some energy officials have urged residents who can afford it to leave the country, so they can save energy for essential services.

"Unfortunately, after each attack, we have [a] less and less reliable and stable energy system. So I would advise people who can afford it to move abroad or to western regions where it's easy for us to provide electricity," Maxim Timchenko, chief executive of DTEK, one of Ukraine's largest energy companies, told the British Broadcasting Corp. "If you consume less, then hospitals with injured soldiers will have guaranteed power supply."

More than a week after the Russians pulled out of Kherson, the city has now become a target for artillery attacks. Moscow still controls territory across the Dnipro River. The sound of artillery echoed through the city Friday night.

"Kherson was just liberated, there's still no water and electricity. Russia had added shelling to that," Anton Gerashchenko, an adviser to Mr. Zelensky, wrote on Twitter on Saturday. "People have already been through so much."

Ukraine has received new air-defense systems from the West in recent weeks, which officials hope will minimize the damage from future Russian strikes. On Saturday, the new British prime minister, Rishi Sunak, visited Mr. Zelensky in Kyiv and pledged an additional $59 million in military support for Ukraine.

Soldiers who pulled out of Kherson are now being redeployed to shore up defenses in the southern Zaporizhzhia region and to bolster the offensive in the eastern Donetsk region, where Russian forces have been pushing for months to take the city of Bakhmut.

Retaking of Kherson Shifts Dynamics Across Front

By Daniel Michaels

HANNIBAL HANSCHKE/EPA/SHUTTERSTOCK

Ukrainian soldiers in the northern Kherson region in October

Ukraine's retaking of Kherson is rippling across battlefronts far afield, as Moscow redeploys troops to regain the initiative and Kyiv seeks to expand its recent advantage over invading Russian forces.

Russia's retreat from Kherson, the only regional capital it gained in almost nine months of fighting, was an embarrassing setback, but Moscow appears to have safely withdrawn many of its best troops, enabling them to shift elsewhere, military analysts say.

Ukrainian troops, energized by recapturing the southern city with less bloodshed than many had predicted, have remained on the move by shelling Russian forces who left the city, while fending off a Russian offensive to the far northeast around the city of Bakhmut.

Ukrainian President Volodymyr Zelensky on Saturday said he had discussed fighting in that region with his top officials. "We are doing everything to help our heroes withstand Russian attacks," he said on Telegram.

Even if Kyiv's forces don't quickly gain more ground near Kherson, their recent advance there enables them to target Russian supply lines running to the Crimean Peninsula, which Moscow seized from Ukraine in 2014. Russian military bases and civilians in Crimea rely on supplies and fresh water from the Ukrainian mainland running through territory now controlled by either Moscow or Kyiv.

Ukraine in October degraded Moscow's ability to supply the peninsula when its forces damaged the Kerch Bridge. Moscow built the bridge in 2016 to connect Crimea directly to Russia. Now, most supplies must be delivered slowly by ship or via a single rail line snaking through southeast Ukraine, in Russian-controlled territory that could be in range of Kyiv's artillery and drones.

The developments offer Ukraine a variety of options, allow it to press on several fronts and give it chances to capitalize on opportunities, military strategists say. Russian troops, in contrast, show signs of being disorganized and demoralized, based on social-media postings and other open-source intelligence.

"I think the Ukrainians should keep the pressure on the Russians to the extent they can" despite winter's approach, said U.S. Army Gen. Mark Milley, chairman of the Joint Chiefs of Staff, on Wednesday. "It's clear the Russian will to fight does not match the Ukrainian will to fight."

Ukrainian troops retook Kherson this month after besieging it for more than two months largely thanks to precision artillery, such as the M142 Himars, supplied by the U.S. and other Western allies. Advancing through Kherson to the west bank of the Dnipro River, the troops can now extend by miles to the east and south their targeting of Russian positions and supply lines.

Ukraine is shelling retreating Russian troops across the Dnipro and recently landed some special-forces troops across the wide river.

"If the Ukrainians cross the river in any number, I suspect a lot of Russians will keep running," as they did from Kherson, said Glen Grant, a retired British lieutenant colonel who has advised the Ukrainian military since 2014. "The more the Ukrainians can get across the river quickly, the better it will be for them" because of apparent Russian disarray in the area, he said.

Russia's top general justified the withdrawal from Kherson as allowing the redeployment of troops to other areas. Russian President Vladimir Putin has made a political priority of capturing Donbas, a traditionally Russian-speaking region, part of which Russian proxies overtook in 2014.

Those attacks around Bakhmut have achieved small gains, observers say. Gen. Milley said Ukraine is fighting "a very, very successful mobile defense" in the area.

Britain's Ministry of Defense on Friday said Russian forces near the border of Crimea and in Donbas were digging trenches, some roughly 40 miles behind front lines, "suggesting that Russian planners are making preparations in case of further major Ukrainian breakthroughs."

The situation in Donbas might shift as Russia moves more of its recently mobilized troops to the area or brings in soldiers from Kherson. During Ukraine's two-month siege of the city, Russia appears to have withdrawn as many as 20,000 of its top troops there for redeployment and replaced them with recent conscripts, who were the last to retreat across the Dnipro.

"One of the lessons of this war is it's not about numbers, it's about how you fight, and the Ukrainians have been better at that," said Ed Arnold, a research fellow for European security at the Royal United Services Institute, a think tank in London.

Europe, U.S. Boost Trade Ties

Continued from Page One

lantic relationship is part of a reorganization of the global economy along East-West lines. Russia's cutoff of European energy supplies and fears of overreliance on China have changed how companies trade. On both sides of the Atlantic, governments have encouraged firms to produce critical products locally instead of in Asia. Some German companies have started exporting to the U.S. out of plants in Germany instead of China, partly to avoid tariffs, trade groups said.

At the same time, small and midsize German companies, in particular, have been diversifying investments away from China, where they face increasing domestic competition, rising labor costs and onerous Covid-19 regulations, according to a recent study by Rhodium Group, a consulting firm.

"We like the U.S. even more in the current geopolitical context," said Ilham Kadri, chief executive of Solvay SA, a Belgium-based chemical company with about €11 billion of annual sales. It recently unveiled a $850 million investment to build battery-making facilities in the southern U.S., including in Georgia, aiming to benefit from booming electric-car sales.

"There are lockdowns in China as we speak. Europe is facing a major energy crisis and inflation, where we need to live with less gas than we could imagine," Ms. Kadri said. "Then you look around and you say, the U.S. has it all, right?" Key U.S. attributes include cheap oil and gas, skilled workers and government support to build clean-energy infrastructure, she said.

The U.S. received foreign direct investment of $74 billion in the three months through June, by far the highest of any country, and compared with $46 billion for China, according to an October report by the Organization for Economic Cooperation and Development.

The U.S. economy still has considerable momentum despite the Federal Reserve's aggressive actions this year to cool demand, and it is on course to import goods and services of $4 trillion this year, around one-third more than in 2019, according to data from the Bureau of Economic Analysis.

Germany's mechanical-engineering sector, which employs about one million people, increased exports to the U.S. by almost 20% year-over-year in the nine months through September, to €18 billion. The sector's sales to China declined by 3% during the period to €14 billion, according to the German Mechanical Engineering Industry Association, a trade group.

As trans-Atlantic trade booms, container volumes at East Coast ports like New York have surged ahead of West Coast counterparts like Los Angeles in recent months, said Josh Brazil of Project44, a supply-chain analysis firm. The Port of New York and New Jersey said it was the nation's busiest container port in September for the second month in a row, handling 35% more cargo than in September 2019.

U.S. tourists are also pouring into Europe, taking advantage of a strong dollar. Europe received almost three times as many international visitors in the first seven months of 2022 as in the year-earlier span, boosted by travel from the U.S., the World Tourism Organization said in September. French luxury-goods group Kering said in October that its sales in Western Europe had soared 74% in the three months through September, as U.S. tourists flocked to the region's cities.

"The EU-U.S. economic relationship is stronger than it has been in quite some time," said Margrethe Vestager, executive vice president of the European Commission, the European Union's executive body. "You see it in the numbers."

Partly as a consequence of Russia's invasion of Ukraine, European governments are boosting their military capabilities and cyber defense, seeking to build more semiconductor plants at home and pushing for local production in industries such as artificial intelligence.

European foreign direct investment in the U.S. increased by 13.5% to about $3.2 trillion last year from a year earlier, according to data published by the U.S. Commerce Department in July. U.S. FDI in Europe increased by about 10% last year to about $4 trillion. Those sums dwarf investment flows between the U.S. and China.

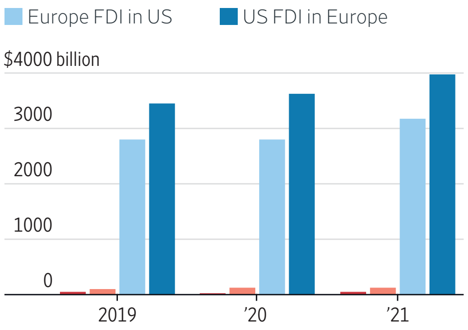
The rapprochement isn't without friction. Inflation, recession fears and efforts to reduce the West's economic reliance on China have resulted in some protectionist policies on both sides of the Atlantic.

The U.S.'s new tax-incentive program for electric vehicles—designed to cut reliance on Chinese battery components while addressing climate change—has set off strong protests from the EU and other U.S. allies who have said the policy discriminates against their manufacturers.

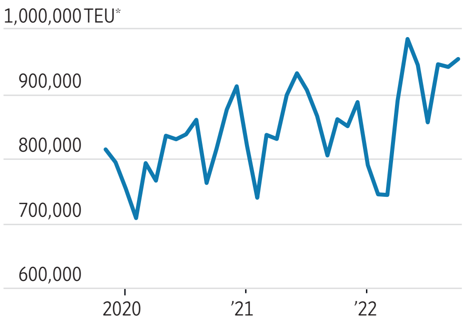
European firms are rushing to take advantage of the new U.S. subsidies. Italian energy giant Enel SpA said on Thursday it would build a solar-cell factory in the U.S., a project that could cost upward of a billion dollars, according to estimates by The Wall Street Journal.

—*Yuka Hayashi in Washington, D.C., contributed to this article.*

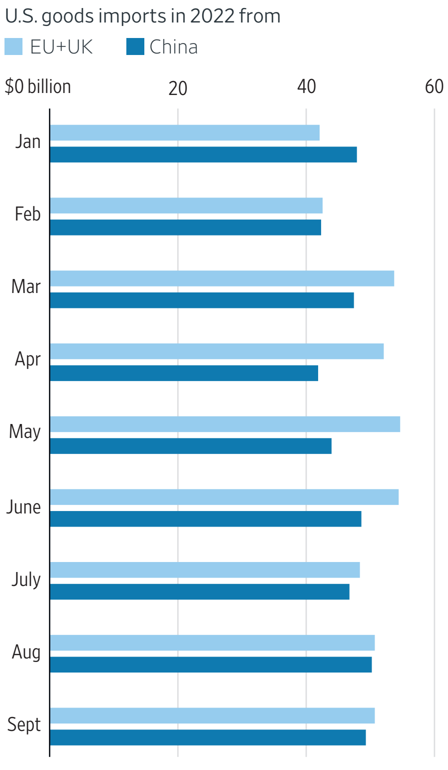
U.S. investment flows with Europe dwarf those with China and are growing rapidly.



Monthly container volumes, U.S. East Coast to Europe



The U.S. has imported more goods from Europe than from China in recent months.



*TEU = Twenty-foot-equivalent unit

Sources: U.S. Department of Commerce (investment); U.S. Census Bureau (goods); Project44 (container volumes)

WORLD NEWS

COP27 Ends With a Fund

Climate agreement would pay developing nations for damages, but falls short on goals

By Matthew Dalton
And Stacy Meichtry

SHARM EL SHEIKH, Egypt—Poorer countries secured a deal at United Nations climate talks to create a fund for climate-related damage as part of a broader agreement that failed to yield faster cuts in emissions wealthy nations sought to avert more-severe global warming.

The accord at the COP27 summit in this Egyptian seaside resort hands a victory to poorer nations that have demanded that money since the first U.N. climate treaty was signed three decades ago.

Other provisions of the broader agreement, reached early Sunday, left negotiators from wealthy countries disappointed in their efforts to secure faster cuts of greenhouse-gas emissions. Wealthy countries managed to preserve an agreement reached in Glasgow last year on emissions cuts after big developing countries tried to water it down, but they didn't secure new commitments.

Sunday's agreement also urges wealthy governments to overhaul multilateral development banks so those institutions can increase their funding to the developing world for renewable-energy projects and infrastructure to adapt to the effects of climate change.

That addresses long-running criticism from developing countries that say climate funds from institutions such as the World Bank are too hard to access and come with interest rates that are too high.

The agreement's most consequential provision would earmark money for what is known as loss and damage: when rising seas, more-powerful storms and other effects that most scientists link to climate change cause destruction that is sudden or potentially irreparable.

JOSEPH EID/AGENCE FRANCE-PRESSE/GETTY IMAGES

Sunday's agreement urges increased funding for renewable energy and adapting to climate change.

Negotiators representing developed and developing countries agreed to set up a fund in the final hours of the summit, defying expectations that they would not take that step amid resistance from the U.S. and other wealthy nations. The fund would be targeted toward poorer countries deemed most vulnerable, a key demand from wealthy nations that didn't want money flowing to China and other higher-income countries that are deemed developing economies under the U.N. climate treaty.

The creation of a new fund was a rallying cry for a coalition of developing nations—stretching from small island states such as Barbados to low-lying and densely populated Bangladesh. These countries are thought to be most at risk from climate change but have emitted a small percentage of the greenhouse gases that scientists say have caused the earth to warm since the dawn of the industrial era.

The scale of monsoon rains and floods in Pakistan this year, with costs assessed at $30 billion, gave momentum to their campaign. Pakistani officials blamed climate change, and some scientists say it likely was a contributing factor.

"This COP has taken an important step towards justice," said António Guterres, secretary-general of the U.N. "Clearly this will not be enough, but it is a much-needed political signal to rebuild broken trust."

The decision leaves open the possibility that China, oil-rich Persian Gulf states and other higher-income countries in the developing world could contribute to the fund or provide money for other efforts to pay for loss and damage. The agreement creates a committee charged in the next year with "identifying and expanding sources of funding" and sorting out other details. Officials expect those decisions will be the subject of fierce debate in the coming months.

"What we wanted to get out of this COP was a political decision to have a fund funded by developed countries," said Vicente Paolo Yu, a negotiator for the Philippines.

Delegates from China, Saudi Arabia and elsewhere in the developing world say they have no obligation to contribute money. The U.N. climate treaty of 1992 designates them as countries that should receive funds from wealthy countries to respond to climate change. The U.S., Europe and other wealthy nations say that divide no longer makes sense given China's rapid economic growth over the past three decades and the vast wealth accumulated by Persian Gulf oil states.

Wealthy countries have long resisted creating a fund, fearing that agreeing to make payments would leave their governments and companies at risk of lawsuits.

Watch a Video

Scan this code to watch a video on the climate-fund agreement.

WORLD WATCH

BRAZIL

Development Bank Elects New Leader

The Inter-American Development Bank elected Brazil's Ilan Goldfajn as president of Latin America's largest development bank, the first Brazilian to hold the role in the institution's 63-year history.

The election of Mr. Goldfajn, a widely respected former central banker, comes at a time when the region depends ever more on the institution as it emerges from the Covid-19 pandemic.

The IDB, which arranges long-term funding to promote social and economic development in Latin America and the Caribbean, notched a record of nearly $23.4 billion in loans and other types of financing for the region last year, an increase of some 30% from 2018.

—Samantha Pearson

MALAYSIA

No Party Seen Taking Majority in Election

Malaysia is heading for a hung parliament with none of the three main coalitions of political parties on course to secure the majority needed to form a new government, bringing more uncertainty after national elections on Saturday that were meant to put an end to years of political instability.

A coalition led by veteran politician Anwar Ibrahim was in the lead with results announced for most of the parliamentary races, but it won't be able to clinch a majority in the 222-seat lower house. Multiple opposing political camps will now have to negotiate and work together toward building a new governing coalition.

The polls are the first since a historic vote in 2018 when the party that had ruled the Southeast Asian country since its independence in 1957 was defeated following a multibillion-dollar corruption scandal.

Saturday's vote was called ahead of schedule after two leadership changes in as many years. But it showed a divided electorate.

—Feliz Solomon

GERMANY

Catholic Bishops Defy Vatican Over Debates

Germany's Catholic bishops vowed to continue their national debate about changes to church teachings on controversial topics, including homosexuality and the ordination of women, defying a Vatican call to halt their talks.

The bishops met Friday with several of the Vatican's highest officials, who expressed their "worries and reservations" about a process that could throw into question "nonnegotiable" elements of church teaching, according to a joint statement issued by the Vatican and the German Bishops' Conference.

The discussions intensified tensions between Vatican officials and the German bishops over the country's synod, a series of meetings of bishops and lay Catholic leaders that started in 2020 and is scheduled to conclude next March.

—Francis X. Rocca

RICCARDO DE LUCA/ASSOCIATED PRESS

Msgr. Georg Baetzing, head of the German Bishops' Conference

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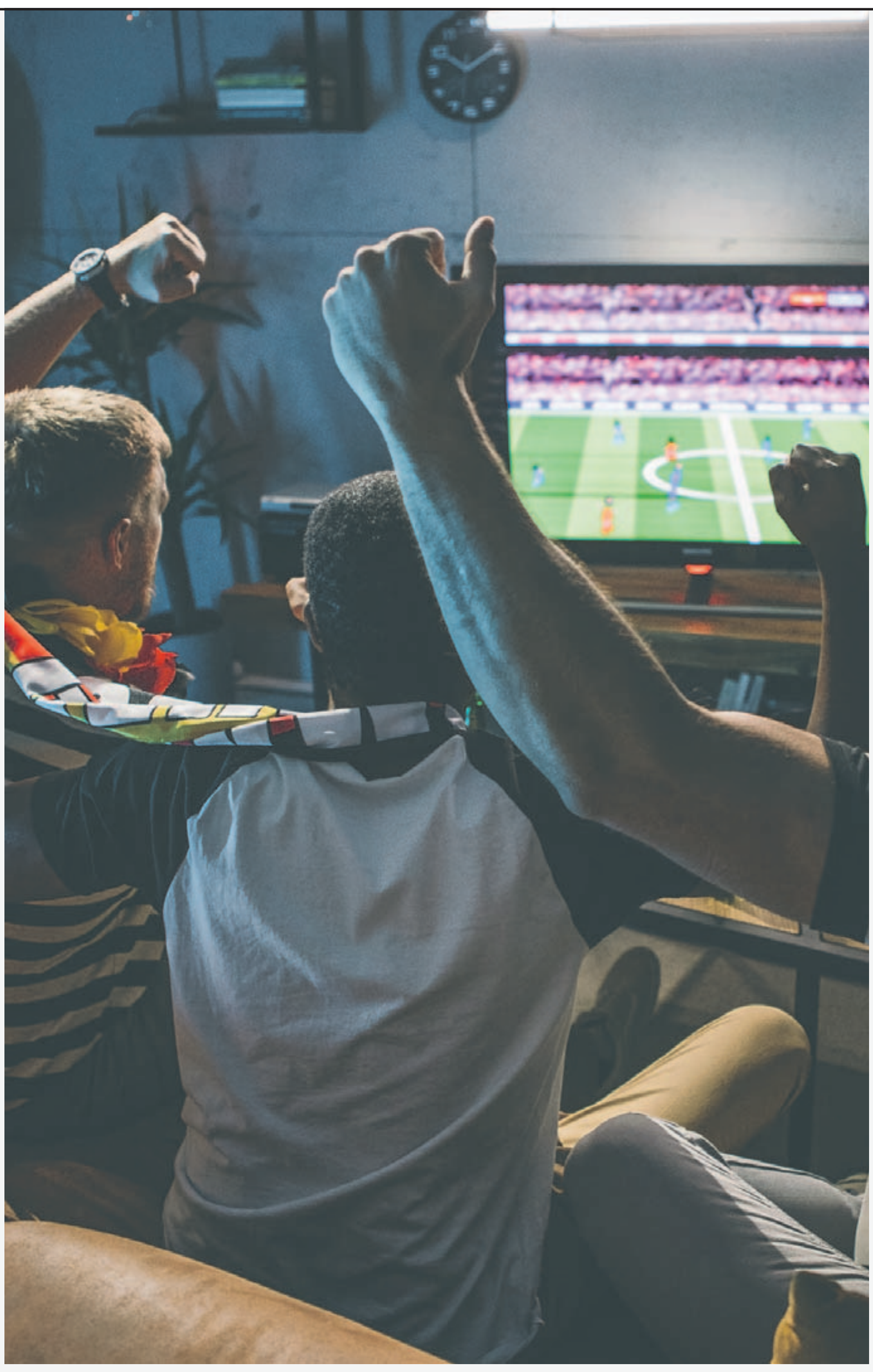

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Riot by Jewish Pilgrims In Hebron Spurs Outcry

Israeli security forces were deployed during the riot in the West Bank city of Hebron on Saturday.
HAZEM BADER/AGENCE FRANCE-PRESSE/GETTY IMAGES

By Dov Lieber And Fatima AbdulKarim

TEL AVIV—A riot by Jewish pilgrims in the West Bank city of Hebron over the weekend drew widespread condemnation, with Palestinian leaders warning that the incoming right-wing Israeli government could cause further instability in the West Bank.

On Sunday, U.S. Ambassador to Israel Tom Nides called the riot abhorrent and urged rapid de-escalation of the situation. Departing Israeli Prime Minister Yair Lapid called the events, in which one Israeli soldier was injured, a "national disgrace." Israeli Defense Minister Benny Gantz condemned the attacks on Palestinians and Israeli forces and said those responsible would be held accountable. Incoming Prime Minister Benjamin Netanyahu issued no statement about the violence in Hebron, and his spokesman didn't respond to requests for comment.

Israeli officials estimated 30,000 Jewish pilgrims visited Hebron for a special celebration over the Jewish Sabbath, during which a section from the Torah was read that describes how the patriarch Abraham bought a plot of land to bury his wife, Sarah. The Tomb of the Patriarchs in Hebron, a holy site for Jews, is believed to be that plot of land referenced in the Bible. The Ibrahimi Mosque, a holy site for Muslims, also stands on that same plot of land.

"They used to come visit in dozens, but yesterday they were in hundreds and maybe thousands," said Yousef Abu Eisheh, head of the merchants union in Hebron's Bab Al-Zawiya Square. "What we saw was lots of hate, not people coming for prayers."

A group of Jewish pilgrims marched through a Palestinian section of Hebron to visit the tomb of a biblical figure. During that march, a group of Jewish pilgrims attacked Palestinians, the Israeli military said, followed by subsequent clashes between Jews and Palestinians. Jewish rioters damaged Palestinian homes, vehicles and businesses, throwing stones and bottles at pedestrians, according to Palestinian witnesses and Israeli human-rights groups. Some Palestinians responded by throwing rocks and vegetables, according to witnesses and videos on social media. One Israeli rioter attacked a female soldier, the Israeli military said.

"The confrontation, in which both the Israeli civilians and Palestinians hurled rocks at one another was instigated after a previous riot that took place by Israeli civilians, in which they hurled rocks in the area," the Israeli military said.

Hebron is the West Bank's most-populous Palestinian city as well as home to a small enclave of religious Jews. Noam Arnon, a spokesman for Hebron's Jewish Community, said on Sunday in an interview with Army Radio that "We were shocked by this story."

"We don't know who they are and what motivates them," he said, calling them hooligans.

Orit Strook, an Israeli lawmaker from the Religious Zionism party and a resident of Hebron, condemned the rioting in an interview on Sunday with Army Radio, and said security officials told her that 150 to 200 Jewish individuals were involved in the violence.

The attack by Jews comes after Mr. Netanyahu and his bloc of right-wing, ultranationalist and religious parties won elections this month and are currently negotiating a coalition agreement.

"This right-wing government will be responsible for the deterioration of the situation and instability," said Nabil Abu Rudeineh, spokesman for Palestinian Authority President Mahmoud Abbas.

Mr. Netanyahu's would-be coalition partners advocate for expanding Jewish settlements and annexing portions of the West Bank. Bezalel Smotrich, head of the Religious Zionism party, has said he won't join Mr. Netanyahu's coalition if he isn't appointed minister of defense. A ticket that included the Religious Zionism party won 14 seats in the election, making it the third-largest party in the Israeli Parliament, or Knesset.

Co-leader of the alliance, Itamar Ben-Gvir, called the rioter who attacked the Israeli soldier a drunk on Twitter on Sunday. He didn't comment on the violence against Palestinians.

United Nations Peace Envoy to the Middle East Tor Wennesland warned that violence by Israeli settlers could further destabilize the area.

The United Nations has reported a steady rise in Israeli settler attacks on Palestinians and their property in the West Bank in recent years.

Iran's Security Forces Crack Down on Kurdish Protests

By Benoit Faucon

Iranian security forces swept through the country's Kurdish region with helicopters and armored vehicles, firing live ammunition and raiding homes in search of opponents, a show of force that demonstrates how the government's response to a two-month-old protest movement is taking a more violent turn.

Protesters in Mahabad and surrounding areas filled city streets on Saturday, authorities and witnesses said. After rumors swirled on social media that authorities were gearing up to attack, balaclava-clad protesters wearing makeshift helmets set bins on fire, according to footage posted by Tavaana, a U.S.-based Iranian civic organization, and other social-media accounts. Protesters then barricaded a key artery in Mahabad with cinder blocks and wooden doors, according to witnesses and the footage.

In response, Iranian authorities deployed heavily armed military forces into the city, according to media close to the Islamic Revolutionary Guard Corps, human-rights groups and witnesses. Local activists and human-rights groups said troops had fired at civilians and raided homes looking for opponents.

"I have witnessed hundreds of people being shot at [by the regime forces] and they have been severely injured," said Soma, 29, a nurse in Mahabad who said she had treated many of the wounded in the past two days. Soma described the city as militarized, describing how armored vehicles and tanks had entered the city. Regime forces "have told the people that anyone who leaves the house will be fired at," she said.

Regime forces "show no mercy," an activist from Mahabad said. "Houses are full of injured protesters," he said. He said one of his relatives died from untreated wounds on Saturday after being shot by the security forces. The relative spent two days in hiding for fear of being arrested if he went to the hospital, the activist said.

In footage posted late Saturday by Tavaana and Hengaw, an Iranian-Kurdish human-rights organization, the sounds of heavy weaponry can be heard. Tavaana published pictures of ammunition it said can only be used with machine guns.

On Saturday, security forces also raided homes and detained residents in Bukan, another Kurdish town where locals had set up barricades, witnesses said. Ismail, a 38-year-old protester, said regime forces started shooting randomly at houses. "There was a lot of broken glass on the streets and alleys," he said.

Witnesses said security forces were firing machine guns at protesters. "The pellet guns were replaced with warfare guns," Ismail said.

"This time, they have war equipment," said Sherko, a 28-year-old Bukan resident. "They are directly shooting live bullets" with machine guns used by snipers, he said.

Hengaw said three protesters were killed during a separate operation earlier Saturday when government forces shelled Divandarreh, another town in Iranian Kurdistan, in response to protests.

Government forces were also heavily shelling the Kurdish cities of Piranshahr, Marivan and Javanrud late Sunday, Hengaw said. At least three people were killed in Javanrud, Hengaw said.

It also said security forces on Sunday shot at protesters who had gathered in Mahabad in front of a police station.

Iranian authorities have blamed Kurdish activists and separatists based in neighboring countries for fomenting protests that erupted in Iran's Kurdish region following the death in police custody of Mahsa Amini, a 22-year-old Kurd who was arrested in Tehran for allegedly violating the country's strict Islamic dress code.

The demonstrations have swept across Iran after her funeral on Sept. 17.

In an unusual move, the operation involved the main security agencies—the police, the IRGC and the ministry of intelligence—according to media affiliated with security agencies and social-media accounts run by rights activists.

Antigovernment protesters clash with security forces in Mahabad.
SALAMPIX/ABACA/ZUMA PRESS

Turkey Hits Targets in Iraq, Syria After Istanbul Bombing

By Jared Malsin

Turkish airstrikes hit an electricity station in Syria on Sunday.
BADERKHAN AHMAD/ASSOCIATED PRESS

ISTANBUL—Turkey said it carried out a broad series of airstrikes in northern Syria and Iraq early Sunday, intensifying a military campaign against Kurdish militants, whom the Turkish government blames for a deadly bombing in Istanbul a week ago.

The Turkish Defense Ministry said the strikes hit 89 targets associated with the Kurdistan Workers' Party and its Syrian branch, which Turkey blamed for a bombing in Istanbul last week that killed six people and wounded 81 others. The PKK—as the Kurdish group is known—and its Syrian branch both denied involvement in the attack, for which no one has claimed responsibility.

Turkey frequently launches airstrikes against Kurdish militias in Iraq and Syria, but Sunday's strikes were carried out with extra fanfare, reflecting the government's earlier vow to retaliate for the Istanbul bombing. Turkish President Recep Tayyip Erdogan ordered the strikes, dubbed Operation Claw-Sword, after returning last week from the Group of 20 summit in Bali, Indonesia, the government said.

In Syria, a spokesman for the Syrian Democratic Forces, a Kurdish-led, U.S.-backed militia, said the airstrikes killed 11 civilians and hit a hospital in the town of Kobani, located in northeastern Syria close to the border with Turkey. The SDF, which includes Kurdish militants with ties to the PKK, is part of an American-led coalition fighting Islamic State. Airstrikes also hit a power station and grain silos, the group said.

Asked about the 11 dead, a Turkish Defense Ministry official referred to a statement from Defense Minister Hulusi Akar, which said "only terrorists and hideouts belonging to them were targeted." The Defense Ministry said the strikes hit Qandil, Asos and Hakurk in Iraq and Kobani, Tal Rifaat, Cizire and Derik in northern Syria. The ministry said PKK leaders were killed.

The official news agency of the Syrian government in Damascus also reported that several of its soldiers were killed in Turkish airstrikes in northern Syria.

The airstrikes came a week after a bomb blast ripped through a busy pedestrian street in the heart of Istanbul in the first terrorist attack in Turkey's largest city in years. The attack heightened anxieties in the country, which suffered from a destabilizing wave of attacks in 2015-17 carried out by Islamic State and the PKK.

Turkey's Interior Ministry has accused a Syrian woman named Ahlam Albashir of planting the bomb that exploded on Istanbul's bustling Istklal street on Nov. 13. Police said Ms. Albashir confessed during interrogation to carrying out the bombing on orders from a PKK headquarters in Kobani in Syria.

A Turkish court on Friday ordered 17 people, including Ms. Albashir, to be held in pretrial detention in connection with the bombing, Turkey's state news agency reported. Prosecutors in Bulgaria detained five others in connection with the attack, the country's state news agency reported.

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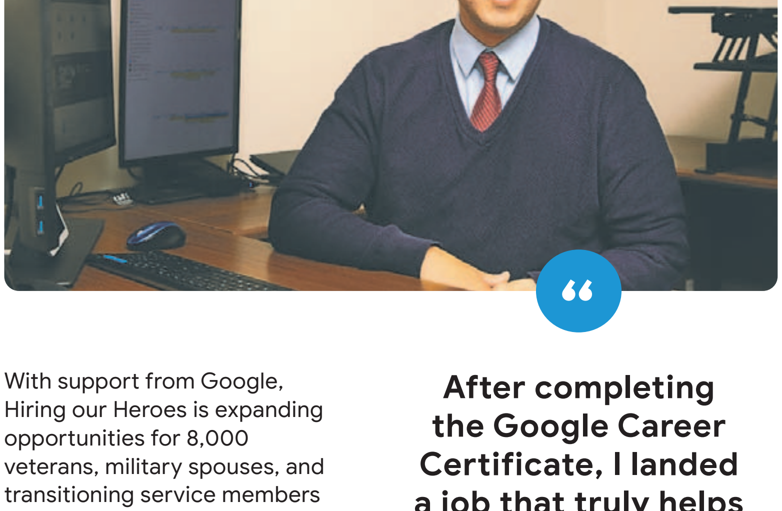

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—Joe Luna
Gainesville, Florida

FROM PAGE ONE

Turkey Takes an Odd Twist

Continued from Page One

Thanksgiving act, creating mashup items that combine elements of the holiday meal.

At Socarrat, a Spanish restaurant with locations in New York City, a Thanksgiving paella is on the menu, featuring turkey, butternut squash and green beans, among other items. At Burrito Union, a Mexican restaurant in Duluth, Minn., November is all about the Thanksgiving burrito, filled with turkey and the traditional sides.

At King David Tacos, another New York City establishment, the current favorite is the Cranbirdy Taco, a breakfast offering with turkey sausage, sweet potatoes, eggs and cheese, accompanied by a cranberry salsa. The taco has been featured during November for the past four years, says King David founder Liz Solomon Dwyer.

The trend doesn't stop with restaurants. Consider Jones Soda Co., a craft beverage brand known for its oddball flavors. This year, it's bringing back its Turkey & Gravy soda, a flavor it has featured occasionally in the past. Marketing director Curt Thompson explains that the brand relies on natural flavorings to create the soda, which is vegan-friendly.

"No turkey was harmed," Mr. Thompson says.

Salt & Straw, an ice-cream company with locations throughout the country, has also claimed a piece of the Thanksgiving pie—and not just with its Pumpkin & Gingersnap Pie flavor. Each year, the company creates an entire Thanksgiving menu of flavors, both sweet and savory. The 2022 edition includes Roasted Peach & Sage Cornbread Stuffing, Parker House Rolls with Salted Buttercream and even Caramelized Turkey & Cranberry Sauce.

Salt & Straw co-founder Tyler Malek says the Thanksgiving offerings can create their share of controversy, noting that a mashed potatoes-and-gravy flavor served in the past was especially divisive. But this year's turkey ice cream has gone over well. "It's surprisingly delicious," he says.

Nasser Al-Rayess, a 26-year-old San Francisco resident, counts himself as a fan of the Salt & Straw Thanksgiving flavors, including the turkey one.

"It is wrong to put turkey in ice cream, but they somehow make it work," he says.

One problem some restaurateurs are facing: a turkey shortage.

Rod Raymond, owner of Burrito Union in Minnesota, says he purchased 87 cases of frozen turkeys to meet expected demand for the Thanksgiving burrito he offers throughout November. But sales this year are so strong that he looked to buy more birds, only to find that his supplier was out of stock. Mr. Raymond fears he may end up disappointing customers.

"We're already two-thirds of the way through our turkey," he says.

What's behind the Thanksgiving mashup boom? Culinary experts say the food-gone-viral trend plays a role: Restaurants and brands often create items with an eye on how they will grab attention on social media. Many of those offering Thanksgiving mashups do promote the items: Jones Soda offers a free T-shirt to those who post a video of themselves chugging its turkey-and-gravy soda.

There's also the fact the food world has embraced cutting-edge approaches in general and mashups in particular. Think Korean tacos or Philly cheesesteak egg rolls.

"The bar for creativity has moved," says Andy D'Amico, the chef behind 5 Napkin Burger in New York City. He offers a Thanksgiving-themed burger with ground turkey mixed with a cornbread-sausage stuffing, complemented with gravy and cranberry mayo.

Others warn that some Thanksgiving offerings may be testing the limits of good taste.

"There's good fusion and confusion," says Stephen Zagor, a hospitality consultant who also teaches a course on the food business at Columbia Business School.

Michael Lomonaco, chef and partner at New York's meat-centric Porter House Bar & Grill, serves a traditional Thanksgiving meal at his establishment. "Putting an infinite number of things into a dish doesn't make me more creative as a chef," he says.

Will Gilson, chef and owner at Puritan & Company, a Boston-area restaurant, has a Thanksgiving-inspired Swedish-meatball on his menu with ground turkey and a cranberry-soy glaze. He resisted the temptation to add more Thanksgiving flavors. "You're focusing on the balance of flavors rather than jamming everything down the throat," he says.

Mr. Argy says he showed some restraint with his Thanksgiving pizza. When he originally came up with the recipe, he included mac and cheese as one of the toppings, since the dish has been a staple at his family Thanksgiving dinners. "It was a little too much," he says.

And while Mr. Argy does smother his Thanksgiving pizza with a mix of mozzarella and cheddar cheese, he stops short of adding tomato sauce. "That would be disgusting," he says.

'I am feeling a bit bereft that I can't give the way I want to this year,' says Maggie Enriquez, above, with her daughter, Lela. Right, Salvation Army volunteer Reynaldo Rivera rang a bell for donations in Manhattan last year.

FROM LEFT: JADA ALLEN; JEENAH MOON/REUTERS

Inflation Sours the Holidays

Continued from Page One

Holt-Philip has always made sure the children woke on Christmas to piles of presents under the tree, just as she did growing up. Ms. Holt-Philip and her husband, Anthony Philip, typically save for months and shop early to check off wish lists. In past years, that meant more than 20 small presents per child. Not this time.

Rent on the family's two-bedroom Miami apartment rose to $2,600 a month this spring from $1,365 when they arrived in 2020. With the added pressure of trying to save for a house, Ms. Holt-Philip, a 33-year-old wellness blogger, said she asked her children to settle on one "really good gift" apiece. She and her husband agreed to skip gifts for each other this year.

It all feels wrong, Ms. Holt-Philip said, but "we have to eat."

Consumer prices have risen faster than wages this year, and high inflation has proved more persistent than many policy makers expected. The high cost of living has unnerved consumers, despite a strong job market, a cushion of household savings built up during the Covid-19 pandemic and a few signs that inflation is slowing.

The University of Michigan estimated that household sentiment in the past six months is comparable to late 2008 and early 2009, when the financial system verged on economic disaster and unemployment was soaring. The index also echoes wary levels of the 1970s, when inflation climbed to double digits.

A Census Bureau survey of households in early October found that 41% of Americans, around 95 million people, said they were having difficulty paying for essential household expenses, compared with 29% a year earlier.

People plan to buy an average of nine gifts this year compared with 16 last year, according to Deloitte consulting's 37th annual holiday shopping survey of 5,000 respondents in September. Total anticipated spending per household was $1,455, down from $1,463 a year ago, Deloitte said. People in the survey said they also planned to spend less time shopping than they did last year.

The Conference Board, a nonprofit research organization that surveys household confidence each month, said individuals had cut gift spending plans to $613 this year from $648 in 2021. Home décor, furniture, appliances, jewelry and tools are among the categories facing the biggest cuts.

In an August survey of 2,415 adults by Bankrate, the consumer finance website, 84% of holiday shoppers said they would pursue money-saving tactics this year—relying on coupons and discounts, buying fewer items, shopping for cheaper gifts and cheaper brands or making presents themselves.

Of course, the outlook might shift. Economists have found that households don't always do what they say on survey answers. A drop in gasoline and food prices or a bump in the stock market could boost holiday spending. A recent government report showed retail sales picked up in October, in part because of higher prices.

The best news would likely be a measure of relief from inflation.

'Mom guilt'

After raising prices for months, some firms are betting that markdowns will buck up sales and clear inventory.

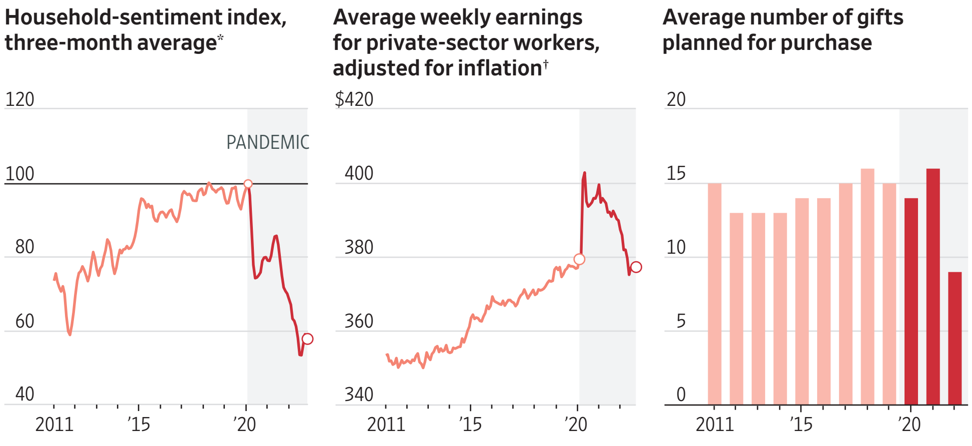
The Toy Association, which represents companies responsible for 96% of all toys sold in the U.S., forecasts a season of price cuts. Apparel prices also are headed down, according to DataWeave Inc., an analytics company that tracks online prices for thousands of retail items. Gap Inc. is offering discounts as high as 60%, a level of savings virtually impossible to find during last year's holiday season, when supply-chain problems left retailers short of inventory.

Target Corp. executives said last week that consumers have pulled back on spending, sapping sales and profits, and prompting the company to plan discounts to clear out unwanted inventory during the holidays.

Many independent stores can't afford deep discounts. Keri Piehl, owner of Color Wheel Toys in Albuquerque, N.M., said she had strong sales last year but worries about customers shopping online or at big-box retailers this year. To cut costs, she stopped ordering large paper bags for customer purchases, and, to save on shipping, she is buying more items in bulk. Ms. Piehl said she was storing the extra merchandise in her home office.

Humbug Economy

Inflation has cut into America's holiday cheer.



*100=level of sentiment in 1966
†Seasonally adjusted

Sources: University of Michigan (sentiment); Labor Department (earnings); Deloitte online surveys, most recent of 4,594 consumers conducted Sept. 6–14 (gifts)

High inflation seemed to restrain holiday-season shopping over the past eight decades. Eleven times since World War II, the consumer-price index has equaled or exceeded 6% around holiday time; this year it was at 7.7% as of October. Consumer spending had an average growth rate of 1.2% in those years, compared with a rate of 3.4% in years with lower inflation, Commerce Department data show.

American consumer spending has been on a downward trend for months. After jumping by more than 8% last year, adjusted for inflation, consumer spending grew less than 2% during the first nine months of this year.

"I'm not canceling Christmas. I'm not the Grinch," Richard House, chief executive of FlexShopper Inc., a Boca Raton, Fla.-based online retailer serving consumers with low credit ratings, told analysts this month. "But we're cautious regarding the amount of volume that may be there."

Michael Liersch, a financial planning specialist at Wells Fargo, guides the bank's army of local advisers in branches around the U.S. He said he was struck by the number of families talking about scaling back this year.

Some are taking children to stores to learn exactly what they want. "No surprises, really keeping it very practical," Mr. Liersch said. "If you recall 10, 20 to 30 years ago, there was a notion where families had relatives give essential items. Moving back into that. Less discretionary items, more needs."

Maggie Enriquez, a single mother in Austin, Texas, spent about $1,000 on gifts last year for her 2-year-old daughter, Lela, and her extended family. This year, she plans to wrap toy dinosaurs and games that Lela's older half-brother doesn't use anymore for her daughter to open on Christmas.

Ms. Enriquez, 37, is a digital-ad sales development representative at a social-media company, a job she supplements working weekends as an Uber driver to pay for daycare, rent and groceries. Her digital-sales contract is up in March, and she is worried about company budget cuts.

In past years, Ms. Enriquez has contributed to online Christmas wish-list sites and toy drives for children in need. This year, she worries she might have to apply as a recipient rather than a donor.

"I am feeling a bit bereft that I can't give the way I want to this year," she said. "I take a lot of pride in being able to provide for my daughter, and when I can't, I feel really inadequate, and the mom guilt kicks in."

Tough choices

The month between Thanksgiving and Christmas accounts for between 20% and 30% of charitable donations, according to the Giving USA Foundation.

Leaders of the Salvation Army, whose bell-ringing volunteers collect donations from passersby, are worried. Many people are facing a tough holiday season, Commissioner Kenneth G. Hodder said, "particularly those who have to make choices between buying toys, putting food on the table or paying utilities."

Requests for assistance from people in need in various spots around the U.S. are up 25% to 50% from last year, Mr. Hodder said, and he expects fewer coins and bills getting dropped into the Salvation Army's red kettles.

Crowdfunding platform Kiva surveyed 2,000 Americans and found that many planned to give less to charity compared with last year: 44% blamed a lack of funds, 42% said donating was "for the privileged."

GivingTuesday, a nonprofit, and the Association of Fundraising Professionals said the number of donors nationwide fell steeply in the second quarter, driven by declines in donations of less than $500. Fundraising totals were up 6.2% during that time but didn't keep pace with the second quarter's inflation rate of more than 8%.

Holiday work parties also are looking less festive. Avital Ungar, a party planner who works with Fortune 500 companies and startups in New York City, San Francisco and Los Angeles, said many clients, facing hiring freezes or layoffs, don't have the budget for elaborate events this year.

Restaurants around the country are feeling the fallout.

Mani Bhushan, who owns four Mexican restaurants in the Dallas area, said that in prepandemic times he would have received dozens of catering orders for 100-plus person Christmas events by this time in the holiday season. He currently has none. Large-group reservations, he said, are down 95% from 2019.

Overall sales numbers are up, Mr. Bhushan said, but he is barely breaking even because of the rising cost of rent, labor and ingredients. A pound of chicken breast is $4.33 compared with $2.99 a year ago. "I used to pay $14 for a good cook," he said, and now it is $18 an hour for even a marginal cook.

Ms. Holt-Philip, the Miami wellness blogger, is looking on the bright side. She hopes that her family's limited budget for gifts will keep the focus on the true meaning of the holidays: spending time together.

For the first time, she, her husband and their three children plan to spend Christmas with a dozen or so relatives at a family cabin in Doniphan, Mo. They will roast marshmallows and play Family Feud in front of the fireplace, Ms. Holt-Philip said. With any luck, the children will see their first snowfall.

"Honestly, if this goes as planned," she said, "a reduced gift-giving Christmas might become our new normal."

Left, Keri Piehl of Color Wheel Toys in Albuquerque, N.M., has looked for ways to bring down costs. Right, Opal Holt-Philip and Anthony Philip had to cut back on gifts for their children.

FROM LEFT: KERI PIEHL; PHILIP FAMILY

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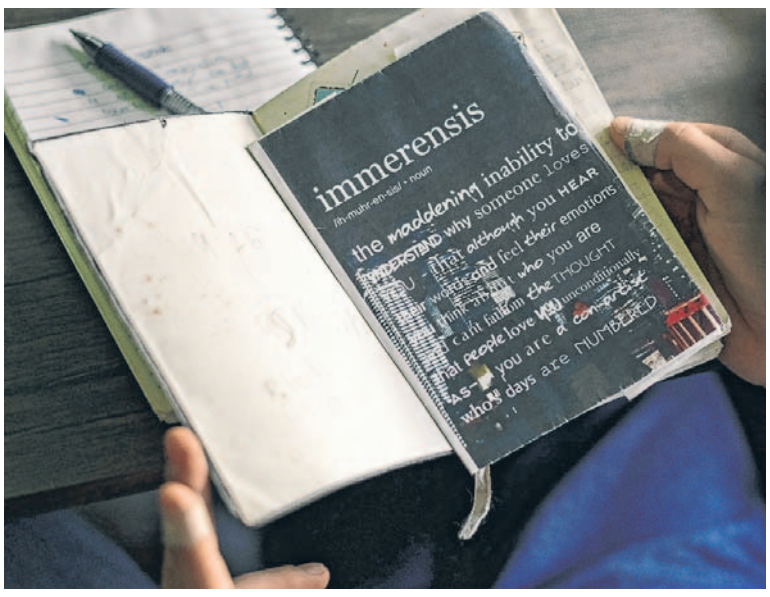
COUNTER CLOCKWISE FROM TOP: LAUREN JUSTICE FOR THE WALL STREET JOURNAL (2); KAREN ARONIAN

The Quiet Bullying: Group-Chat Exclusion

FAMILY & TECH
JULIE JARGON



Joseph Olkha, top and left, learned to embrace his uniqueness, while Laurel Aronian says Covid isolation made exclusion more apparent.

Growing up means being left out sometimes, especially when friends splinter into new social groups during middle school and teen years. With group chats and social media, kids can more easily see when they're not part of the crowd.

Exclusion can result in hurt feelings, even when there's no malicious intent behind it. But educators, pediatricians and researchers say online exclusion can be overt, particularly in group texts or chats on whatever platform teens use to communicate and make plans, be it Apple's iMessage, Snapchat, Instagram—even Zoom.

These experts say they've been seeing more of this since the pandemic, as more of kids' lives shifted online. Digital exclusion can be more insidious than overt forms of bullying that involve teasing and threats, they say.

"Rather than sending a mean message, what teens are doing more now is excluding people, including by creating a parallel group chat to talk about one person without that person in it," says John Kalapos. He's the associate head of school at Buxton, a small Massachusetts boarding school I profiled for its recent smartphone ban. One reason for the ban was this specific behavior, he adds.

"It creates power dynamics that are physically invisible but socially potent," Mr. Kalapos says.

Schools have made antibullying campaigns a priority, so most kids now recognize what constitutes bullying. But online exclusion is harder to discern, call out and punish, and the targets often feel ashamed about it, experts say.

Being left out of a text chain or group chat can freeze kids out of online conversations that help cement social bonds. Parents who want to help might not know about the group conversations or understand who's missing from them. And missing chats can lead to in-person exclusion because that's where kids now make plans.

No child—or adult—will be included all the time. But when someone is intentionally being isolated, families can take steps to address it.

'Am I not good enough?'

Joseph Olkha, a 16-year-old in Los Angeles, says he has been kept out of group chats. He remembers hearing friends talk about the fun they'd had playing paintball over the weekend and realizing he hadn't been invited. Other times, he'd see social-media posts of parties about which he didn't know.

Joseph says he's also been left out of playing videogames with friends. When he'd message them about joining a game, he'd be ignored. "Is there something socially wrong with me? Am I not good enough? Am I not normal?" he recalls wondering.

Joseph says being excluded took a toll on his self-esteem. "People would tell me I was a dry texter, that I would seem uninterested when I texted," he says.

Joseph, who notes that he always had an easier time talking to older teens and adults, decided he'd had enough of high school. He finished early, enrolled in a community college, and hopes to transfer to a four-year university in fall 2024. Though hurt, he says he doesn't hold grudges against classmates. He's come to embrace what makes him unique, even if it means not always fitting in. "I'm a nerd and I love it."

Not everyone is so resilient. Researchers from Children's Hospital of Philadelphia in June released a study showing that cyberbullying—bullying that takes place on chat and social-media platforms rather than the playground—is associated with suicidal thoughts among adolescents who have been targets. The study's authors recommend doctors screen children for cyberbullying like they do for depression.

'Passive-aggressive bullying'

Laurel Aronian, a 15-year-old high-school sophomore in Westchester County, N.Y., says exclusion from group chats became more apparent during Covid-19. She would sometimes have Zoom calls with friends after school, but noticed at other times that her friends' contact status indicated they were on Zoom calls without her. "It's very easy to feel left out."

She says bullying that doesn't involve insults can be explained away by the people doing it, which makes it difficult to flag to grown-ups. For example, if an adult gets wind of a group chat and asks kids why someone wasn't included, they can say it was an oversight.

Kids who intentionally leave others out often don't come across as cruel, and are often liked by teachers, says Andrea Lovanhill, chief executive of Committee for Children, a nonprofit provider of social-emotional learning curricula.

At the end of Laurel's eighth-grade year, students had to deliver a speech on something they felt passionate about, and she chose to talk about what she calls passive-aggressive bullying, or "under-the-radar bullying." When she surveyed her fellow eighth-graders, most respondents said they'd been bullied in a subtle way, while some said they'd witnessed such treatment but hadn't stopped it.

Recognizing and dealing with bullying

Exclusion can hurt even when it's part of normal childhood development and socializing. But when kids intentionally and repeatedly exclude someone from online groups, with the purpose of making that child feel bad, it can be considered bullying, Ms. Lovanhill says.

She suggests parents help their children recognize whether they were left out because of changing friendship dynamics or whether they were actually being bullied by going through different scenarios with them. Parents can also ask their children how a true friend would treat them and suggest they try to make friends with other people.

Several antibullying organizations, including Stopbullying.gov, which is managed by the U.S. Department of Health and Human Services, recommend teaching kids how to be "upstanders," by stopping or reporting bullying when they see it.

Ms. Aronian says when she has a hard time dealing with being excluded, she focuses on hobbies like chess and music. "It lets me put energy into improving at something I have control over."

She's also made it a priority to be inclusive herself. When she meets new people in her chess club, for example, she makes sure to invite them to the club's group chat, of which every member is a part.

"The only way to combat bullying is by being nice," she says.

What We Can Learn From Office Suck-Ups

WORK & LIFE
RACHEL FEINTZEIG

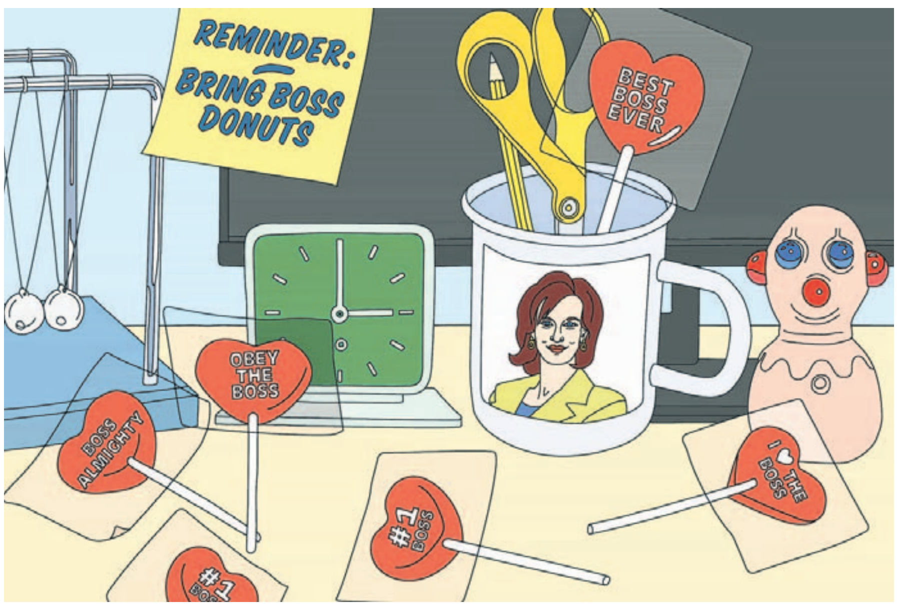


ILLUSTRATION BY DANA DAVIS

They loiter around the boss's office. They dole out compliments to all the right people. They chime in enthusiastically at every meeting.

The only thing more maddening than observing an office suck-up in action is realizing that it's working.

"It drives me so crazy," says Rick Davis, an application developer in Haverhill, Mass. He can't help but tally all the people-pleasing tendencies he's noticed over the years, the folks who copy a flood of executives on emails touting their accomplishments, the ones who ask redundant questions during department calls just so everyone remembers they're there.

They can be less than collegial to co-workers. And yet, they often succeed—even faster than the rest of us.

Can we learn to live with the office suck-up? Can we borrow some of the things they do well, without devolving into ingratiation? And why do they bug us so much, anyway?

"The reason we don't like suck-ups is because we're suck-ups," says Michael Karson, a psychology professor at the University of Denver. Who among us has never fawned over a photo of the boss's baby, regardless of how cute it is?

There's some jealousy, too. Many of us secretly want to be the favorite child and wish we were more natural at being the squeaky wheel ourselves. Plus, we don't like being reminded of the innate unfairness and hierarchy baked into organizations, Dr. Karson says.

"The fact that it works says something about the way bosses are," he adds.

Still, what if the suck-up is making life easier for everyone by soothing an insecure boss's ego?

"Be grateful that your suck-up's willing to do that emotional work for the rest of us," says Amy Gallo, the author of "Getting Along," a new book about working with all kinds of colleagues.

When faced with a suck-up, she says, first ask yourself: Is this person doing something I should be doing, too?

Maybe you need to promote yourself more. Do it in a generous way, she says. For example, in a meeting, offer up your recent successful project as a blueprint for a colleague who's just getting started on something similar. Or, ask your boss if you can present in an all-staff gathering to highlight the team's recent good work.

When embarking on a joint effort with a grandstanding colleague, strike a deal upfront about how you'll share the credit, Ms. Gallo recommends.

Be wary of complaining to your boss, Ms. Gallo warns. After all, the suck-up probably has your manager's ear, and you could be labeled the difficult one. If you're set on talking to your boss about your trouble working with the person, tie your issue to a business impact. Treat the conversation as a joint problem-solving session where you come with ideas, too.

There are even benefits to being colleagues with kiss-ups. A working paper from Columbia Business School, Harvard Business School and University of Toronto finds that "upward influencers," or employees who are more highly regarded by bosses than peers, can improve team performance.

When such workers made up just over half of a team, clients' assessments of the success of a project increased by about 25%, compared with when a team had no suck-ups or was all suck-ups, says Wei Cai, an assistant professor at Columbia and co-author of the paper, which analyzed 360-degree reviews of 578 employees at a consulting firm.

Too many suck-ups and they spend all their time jockeying for power and not enough time doing the actual work, Dr. Cai says. Too few and the group doesn't communicate enough with their bosses, who can get them the resources they need to keep the project on track.

If you find yourself clashing with a suck-up during a meeting or gathering, be direct but keep a positive tone, says Julia Minson, an associate professor at the Harvard Kennedy School who focuses on conflict and negotiations. For example, if they recycle a comment you just made, attempting to pass it off as their own, say, "Thank you for reiterating the point I made. It's great to have your support." If they attempt to claim sole credit for behind-the-scenes work you participated in, try, "I appreciate you describing the work we've been doing together." Don't wait for the perfect moment to jump in and highlight your own contributions and insights.

Behind the scenes, maybe it's time to create an alliance. Suck-ups often have robust professional networks, says Heidi Grant, a social psychologist and author of a book about eliciting help from others. They're skilled at connecting mutual acquaintances and often awash in information.

Ask them for advice and insight. Tie the query to something specific that they're truly, uniquely good at: "Our manager seems to trust you so much. How would you start this proposal?" Afterward, come back to them and tell them how helpful they were.

"When you do that, they feel really good. They get that warm glow," Dr. Grant says.

Suddenly, the suck-up is on your side.

On Arty Screens, Grossing Out Moviegoers Is In

FROM TOP: METRO GOLDWYN MAYER PICTURES; SEARCHLIGHT PICTURES

By John Jurgensen
And Ellen Gamerman

At first, film programmer Ben Delgado felt a little squeamish about the picture he'd selected to open a new festival in Iowa City. On one hand, the coming-of-age story was being praised for its beauty and had won awards at the Venice Film Festival. On the other hand, would the flesh-eating in "Bones and All" be a deal breaker for older-skewing cineastes in his area?

"That's not exactly the audience you expect to come out to a cannibal love story," said Mr. Delgado, programming director of the FilmScene nonprofit cinema. At its Midwest premiere in October, "Bones and All" made the audience of 600 squirm during moments like when a character eats a friend's finger like it's a chicken drumstick. The movie ended up being the talk of the inaugural Refocus Film Festival, he said.

Arty movies have gotten surprisingly gnarly this season, with severed fingers, mass vomiting and cannibalistic lovers showing up at a time of year when new releases are positioned for prestige and awards. These high-minded films are borrowing moves from horror flicks to drive home metaphors for class division, male intransigence and life on society's margins.

The reason may be related to an existential crisis facing the makers of movies for grown-up audiences and art-house cinemas. Without superheroes or franchise clout, these kinds of films are now harder to get produced and more likely to premiere on streaming platforms. Some smartly crafted gross-out scenes can help generate the kind of buzz that justifies a mid-budget adult drama as a theatrical attraction.

"You have to make sure that the audience is going for a ride, because otherwise what will be worth actually leaving their homes and buying a ticket?" said Ruben Östlund, director of "Triangle of Sadness."

The film is a satire about privileged people on a luxury yacht staffed by workers who seem invisible to the wealthy passengers. When a storm hits, seasickness and food poisoning cause the guests to spew vomit everywhere, including on each other, while two characters debate Marxism.

The sequence goes on for at least as long as the eight-minute standing ovation that "Triangle of Sadness" received at the Cannes Film Festival this year. The film won the top prize, the Palme d'Or, for Mr. Östlund, a Swedish director known for previous films "The Square" and "Force Majeure."

'Bones and All,' top, starring Timothée Chalamet, and 'The Menu' feature curious culinary choices.

Operatic in its grossness, the vomiting scene required 5,000 liters of Swedish rosehip soup. Crews funneled the liquid through custom gadgets that fit in actors' mouths. One performer, deeply committed to the craft, volunteered to throw up for real on cue.

The director said he wasn't just going for a big message about the class system. He needed audiences to believe the superyacht was going under, a setup for the final act, which takes place on an island where a new power dynamic between passengers and crew takes hold, he said.

"When we go to the cinema, it has to provoke thoughts and a discussion afterwards," Mr. Östlund said. He acknowledged the potential for more-visceral responses, too: Any ticket buyer who vomits while watching "Triangle of Sadness"—which has happened, he noted—could receive a refund by writing him and sending photographic proof, the director said.

Writer-director Martin McDonagh's latest film, "The Banshees of Inisherin," is set on a rocky island in Ireland in the 1920s and deals with the absurd levels of stubbornness of which men are capable. Brendan Gleeson plays a fiddler who abruptly freezes out his best friend, played by Colin Farrell. He vows to lop off one of his own fingers every time Mr. Farrell's character tries to speak with him—and makes good on the threat with a burly pair of shears.

Amputation also plays a role in

> **Any ticket buyer who vomits while watching 'Triangle of Sadness' could receive a refund.**

another film that comments on the class divide, plus the pretensions of haute cuisine. In "The Menu," which opened Nov. 18, a group of rich patrons and food snobs are ferried to an island for an experience choreographed by a chef played by Ralph Fiennes. With each dish, the chef reveals the diabolical theme behind his meal plan. For one course, a member of the kitchen staff lays out plastic sheeting. It's not for food splatter.

Director Mark Mylod said it was important to give potential audiences a taste of the movie's tone, which he describes as a satirical, dark-comedy horror-thriller. A teaser released online features a scene in which an entitled diner (Reed Birney) tries to leave the restaurant with his wife (Judith Light). As punishment, the chef orders a cut with moralistic symbolism: "left hand, ring finger."

The scene represents a "gear change" in the film, as the situation gets real for the guests, Mr. Mylod said. He built tension with sustained camera shots, but used a carefully timed edit to cut away from the chop itself. "I wanted the moment to be shocking and awful, but because of the human cost, not the titillation of a blade slicing through a digit."

Though "The Menu" is peppered with violent moments, the director said he practiced restraint on gore: The decision lined up with the aesthetics of Mr. Fiennes's character, Chef Slowik. "He would do things with great taste, with an elegance. It certainly wouldn't be messy," Mr. Mylod said.

"Bones and All," which opened Nov. 18, puts a graphic twist on a tale of young people in love. Outcasts played by Timothée Chalamet and Taylor Russell discover they are both "eaters," the film's term for cannibals. When the two end up on the lam in a stolen pickup truck, the drama turns into a brooding road trip punctuated by flesh-eating.

Director Luca Guadagnino called the movie a fable. "It's a tale of archetypes," the Italian filmmaker said at a recent New York Film Festival event, describing the film as the story of "two young beautiful creatures who have to face a lot of adversities...the biggest one being who they are and how they can survive being who they are."

JULIEN JAMES FOR THE WALL STREET JOURNAL (2)

MY RIDE | A.J. BAIME

Muscle Car Plays Role In Bonding Actor, Dad

Marcus Scribner, 22, an actor known for his work on the television shows "black-ish" and "grown-ish," and his father Troy Scribner, 51, co-president of a movie-production company, both living in Los Angeles, on their 1970 Chevrolet Chevelle SS, as told to A.J. Baime.

Troy Scribner: I was raised in Los Angeles and have lived there all my life. When I was in elementary school, my cousin Kenny picked me up in a Chevelle to go see the movie "E.T.: The Extra-Terrestrial." Ever since, I have loved Chevelles. At the time, I had a neighborhood acquaintance—who later became my father-in-law—who ran a tow-truck shop that still exists [the photos for this article were taken at the shop]. He had a Chevelle, and I just loved being around it. For years, I went to a 7-Eleven every Thursday to pick up the latest Auto Trader magazine, so I could price out Chevelles. I could never afford to buy one and do what I wanted with it. So, for my 50th birthday, I decided to go all out.

Marcus Scribner: This was my dad's dream car, and he spent a lot of time searching for the right one. He found his Chevelle for sale at a car museum. I am super into cars. I grew up loving American muscle. But me and my friend group are really into JDM cars—Japanese Domestic Market cars—made for the Japanese market. Nissans and Toyotas, stuff you can get for relatively cheap. The Chevelle is one car where my father and I meet in the middle. It's one of my favorite cars of all time.

Troy: The fact that this Chevelle is from 1970 is important. For me, this is the ultimate muscle car, with the 454-cubic-inch V-8 engine. At the time it was built, federal regulations were about to limit the performance that American cars could have, and the 454 was the biggest engine you could get in the Chevelle. The 1970 Chevelle was like the end of an era. When I bought mine, I had it sent out to get it painted; it turned out better than I expected. I had the 454 engine rebuilt. I got the wheels custom, and power steering and brakes built in.

Marcus: My father and I take it to car shows on weekends and we try to create as many new gear heads as we can by showing this car and trying to inspire people to search for their own dream car.

That's what I love most about the car community, how it's about passion and how inclusive it is. It doesn't matter what race you are, what gender, what ethnicity, and any economic background. There's a car out there for you and it's something you can use to express your own creativity.

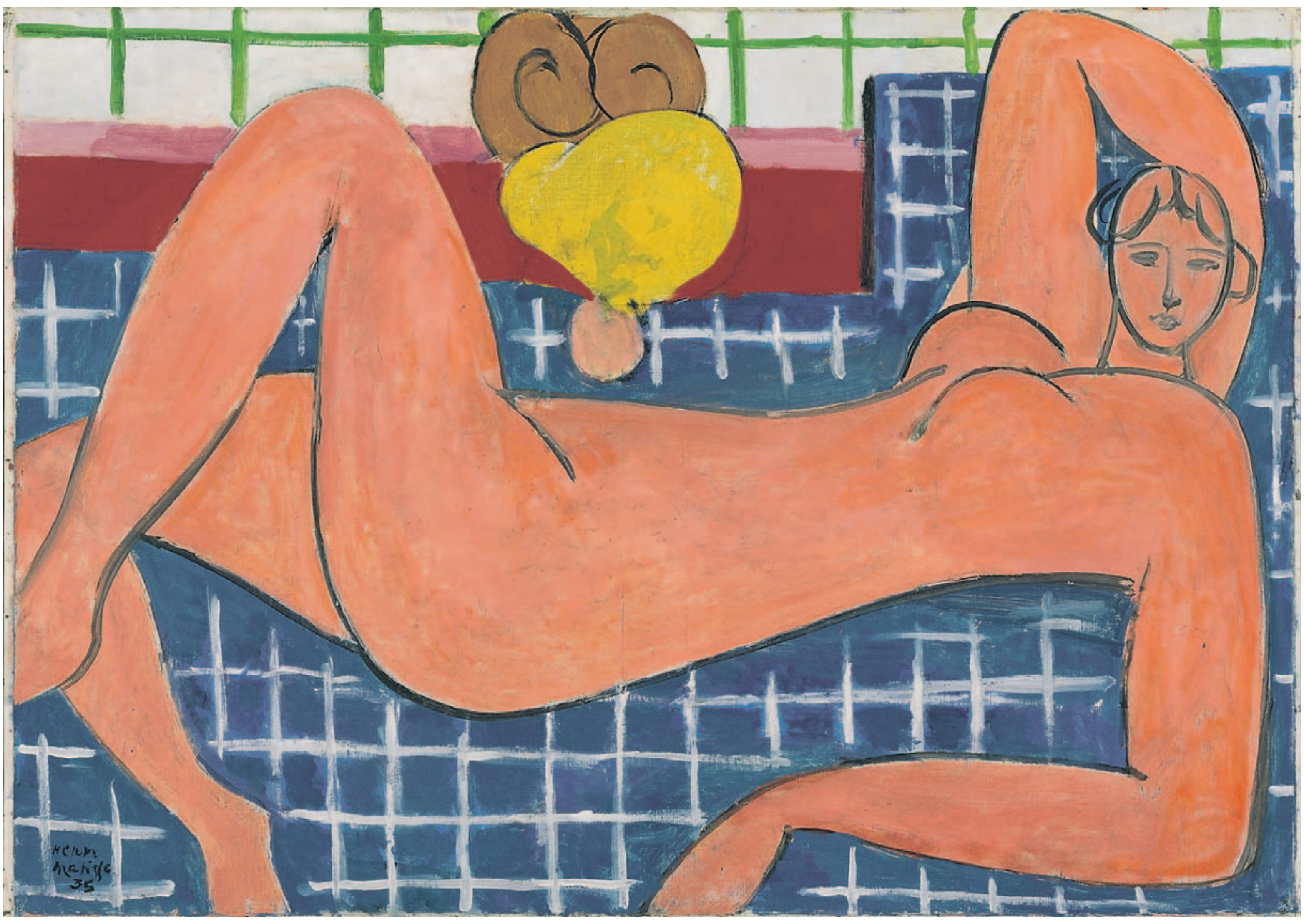
Marcus Scribner, left, and his father Troy love their 1970 Chevrolet Chevelle SS.

Troy: Marcus and I have bonded over the time we have spent with the Chevelle. It's so fun to drive, it's ridiculous. To see Marcus's eyes light up when he's driving it—I just love it. I think about the Chevelles I remember from when I was a kid—my cousin Kenny's Chevelle, and the Chevelle in my father-in-law's tow-truck shop. I am so humbled and happy to get to drive my Chevelle and share some family history with my son.

ART REVIEW

‘Matisse in the 1930s’: A Dance Through a Decade

A sumptuous exhibition showcases the revitalization of the artist’s work during that period



Henri Matisse’s ‘Large Reclining Nude’ (1935), one of several well-known works now on view at the show at the Philadelphia Museum of Art

By Karen Wilkin

Philadelphia

In the fall of 1930, Henri Matisse, age 58, visited his patron Albert Barnes’s collection, just outside of Philadelphia, for the first time. The great mural “The Dance,” to be installed permanently in the three arches of the main gallery, was commissioned then. At the time, the project revitalized Matisse’s art. Now it provides the impetus for the visually lush, thought-provoking “Matisse in the 1930s,” at the Philadelphia Museum of Art, the first major exhibition to focus on an often overlooked decade that proved pivotal for the artist. (Born in 1869, Matisse died in 1954, a month short of his 85th birthday.) Jointly organized by the PMA’s Matthew Affron, Cécile Debray of the Musée Picasso, Paris, and Claudine Grammont of the Musée Matisse, Nice, the show assembles about 140 paintings, sculptures and a fabulous group of drawings from public and private European and American collections, plus prints, illustrated books, photographs and films.

An introduction is provided by works in various media made between 1917, the year of Matisse’s first sojourn in Nice, and 1929, when the Mediterranean city had become his principal residence. He was painting little when he visited Barnes, we learn, having become discontented with the works from this first “Nice period”—mainly costumed models in fictive harem interiors furnished with objects he had brought from Morocco. The Barnes mural and a commission from a Swiss publisher to illustrate poems by Stéphane Mallarmé re-energized Matisse, even rejuvenated him.

A wealth of studies for the mural, one a full-scale drawing, allows us to follow Matisse as he clarified and intensified the poses of the dancers seen through the arches and tested color relationships; a film shows him working on “The Dance,” drawing huge figures with charcoal attached to a long bamboo stick. Nearby, we can read the Mallarmé poems and savor Matisse’s accompanying drawings. The economy that the illustrations demanded, he said, helped him conceive the mural’s fluid, eloquently simplified figures.

The lasting effect of the Barnes project is revealed by the expressive, pared-down shapes of later paintings, such as “Nude in an Armchair, Green Plant” (1937), a miraculous orchestration of pinks, with the model’s relaxed pose echoed by the opulent tropical leaves behind her, or the confrontational “Woman in Blue” (1937) with the apparent symmetry of its red, blue, yellow, black and white arrangement disrupted by shifts in pose and placement. In both works, as always, Matisse’s drawing of the figure distills his awareness of movement and volume into two dimensions.

“Matisse in the 1930s” includes celebrated works: the audacious “Large Reclining Nude” (1935), pink body against blue tiles, and the mysterious, all-but-erased “Nymph in the Forest (Verdure)” (1935-42/43). It also presents the less familiar: large, full-color preparations for tapestries, based on drawings done in Tahiti, and a stunning overmantel with four women, seated and kneeling, reduced to sinuous, radiant shapes, surrounding the fireplace. The tapestry cartoons recur in the background of several paintings, apparently having become part of the studio furnishings.

Lydia Delectorskaya, Matisse’s invaluable model, muse, secretary and studio assistant, appears in ravishing drawings and paintings, as do other models whom we learn to recognize. Repetition and reconsideration of images, poses, persons or props are significant in Matisse’s way of working. If we concentrate, we glimpse paintings we know behind the models, recognize a striped dress, an embroidered Romanian blouse, a space-devouring philodendron. We are continually brought up short by the tension between Matisse’s seemingly banal subject matter and his radical pictorial inventions. Handsomely clothed models in comfortable interiors become compelling, unpredictable near-abstractions, moved further into the realm of the remarkable by unexpected, just-plain-gorgeous color and an immediate-appearing but carefully considered way of applying paint.

Take, for example, the seemingly spontaneous, tightly constructed “Dancer Resting” (1940), its protagonist, in the Romanian blouse, sprawled in an armchair, thighs seductively exposed.

The exhibition features both celebrated works and lesser-known surprises.

Around her, pushed to the edges, are those philodendrons, a drawing for “Nymph in the Forest” on an easel, and part of the painting itself. Patterns compete. An angled blue plane tips the seated dancer forward, while a knife-edged zone of black makes us concentrate on structure, rather than simply recognize the image. There’s a lot to look at and a lot of surprises.

As far as surprises go, the installation includes a rather approximate black-and-white film clip of Léonide Massine’s 1939 “symphonic” ballet “Rouge et Noir,” for which Matisse did sets and costumes. Warning: His contribution is hard to decipher, the choreography looks pretty banal, and the celebrated principal dancers are not up to present-day standards. An odd catalog essay about the role of dance in Matisse’s work politicizes the project. By contrast, the catalog also includes a thoughtful discussion of the vexed issue of Orientalism in Matisse’s staged harem scenes, pertinent essays on his studio and his murals, informative entries on specific works, and an excellent chronology. And the exhibition is a visual feast.

Matisse in the 1930s
Philadelphia Museum of Art, through Jan. 29, 2023

Ms. Wilkin is an independent curator and critic.

Matisse’s ‘Woman in Blue’ (1937), above left; ‘Nymph in the Forest (Verdure)’ (1935-42/43), above right; and ‘Oil Study for Barnes Mural, Ocher Harmony’ (1930-31), right

SUCCESSION H. MATISSE/ARS, N.Y. (4)

SPORTS

The U.S. Seeks to Stop Bale

If the Americans hope to beat Wales, they'll have to contain one of soccer's top scoring threats

By Andrew Beaton
And Joshua Robinson

Doha, Qatar

Right after Los Angeles FC won the most dramatic MLS Cup in the history of the league this month, coach Steve Cherundolo had a sobering realization about the player who had just saved his team.

Gareth Bale had scored the 128th-minute goal, deep into stoppage time of extra time, to tie the game, send the match into a penalty shootout and tee up LAFC's victory. It was exactly the kind of moment that Bale, the former Real Madrid star, was signed to deliver. And it didn't take long for Cherundolo to remember that Bale's next game wouldn't be in an LAFC shirt. Bale would be wearing a Wales uniform, and lining up against the U.S.

"It's Gareth being Gareth. He's a big player with big qualities and a guy who makes big plays," said Cherundolo, a former right back for the U.S. "Let's hope he doesn't in the first game of the World Cup."

After an eight-year wait, the U.S. Men's National Team begins its return to the World Cup on Monday against Wales, a country with roughly the same population as Iowa and an even longer World Cup drought than the Americans—the team's last appearance in the tournament was 1958. On paper, the U.S. should match up well.

MATTHEW CHILDS/ACTION IMAGES/REUTERS

Gareth Bale is a game-changing player for Wales. He recently scored a game-tying goal for LAFC in the MLS Cup.

But one of the oddities of tournament soccer is that games don't always come down to who has the best team. Sometimes it's as simple as which side has a truly game-changing player.

And Wales has Gareth Bale.

The unfortunate thing for the Americans is that after years of injury, stretches on the bench, and honing his golf game, the 33-year-old Bale just showed that the old magic is still there, just in time for this World Cup. Though he only made 13 appearances in MLS this season, he is gearing up to play every minute of every Wales game.

"I'm fully fit and ready to go," Bale said this week. "I'll be playing three 90s."

For much of the past decade, Bale could be one of the most electrifying scorers in all of soccer. After rising to superstardom with Tottenham in the English Premier League, he went to Real Madrid in 2013 for a record-breaking transfer fee at the time and formed an attacking trident alongside Cristiano Ronaldo and Karim Benzema. Together, they were known as the BBC: *Bale, Benzema, y Cristiano*.

They collected major trophies by the armful, as Bale displayed an uncanny knack for scoring in major finals. Though Bale's occasional inconsistency could also enrage Real supporters—and Ronaldo—he racked up five Champions League winner's medals, three La Liga titles, and a Spanish Cup.

But over his final years in Spain, the relationship with Real began to sour. More than one coach let it be known that Bale and his lavish salary simply weren't part of the club's plans. His routine came to include playing 18 holes most days of the week as his minutes for Madrid went the way of his golf handicap, plunging toward zero. In the Spanish press, Bale's nickname became The Golfer.

In 2019, the team's former sporting director summed it all up when he went on the radio and said Bale's priorities seemed to be Wales, golf and Real Madrid—in that order.

The funny thing is that Bale didn't seem to disagree. He said it was more exciting to play for Wales than Real. And when Wales qualified in 2019 for the next European Championship, Bale celebrated by hoisting a Welsh flag a fan had slapped a handful of words on.

"Wales. Golf. Madrid," the flag said. "In that order."

While Bale's arrival in MLS over the summer generated plenty of fanfare, his ability to stay on the field didn't change much. Bale scored as much as he started: twice. He completely sat out the team's playoff games—except for the final.

In the 7th minute of extra time, with the game tied 2-2, Cherundolo sent on Bale. And by the 124th minute, LAFC trailed Philadelphia Union after conceding what looked like a backbreaking goal. Four minutes later, though, a pass from just outside the box floated in front of the net. Bale stepped in, leapt and headed the ball home to tie the game up. That moment of inspiration did two things at once: it sent the match into a penalty shootout and announced that Bale was back and ready for this World Cup.

> Gareth Bale has displayed an uncanny knack for scoring in major finals.

That evening, Bale's Los Angeles teammate Kellyn Acosta celebrated that moment alongside him. Shortly thereafter, as Acosta linked up with the U.S. national team for the World Cup, his thinking about the Welshman took a less friendly turn.

"We've got to literally start kicking him around the field, make him feel us," Acosta said.

The notion of the Americans walloping Bale isn't as outrageous as it sounds. For one, soccer players relish playing as physically as they can get away with to stamp their authority on a game. But more than that, it's exactly what you have to do to contain a player with Bale's particular skill set.

There are some goal scorers who thrive through brute force and muscling their way through when there is no space at all. Bale isn't one of those. At his best, he can create room on the pitch with lightning pace, and he can be difficult to stop when he finds that separation.

"You give him time and space, he will exploit you," Acosta said. "We saw here in the MLS Cup final, you give him a yard or two, he'll score an important goal."

World Cup Kicks Off; Qatar Falls To Ecuador

By Joshua Robinson
And Andrew Beaton

Doha, Qatar

The tiny emirate of Qatar spent more than $200 billion readying the nation for its close-up. For 12 years, it built roads, hotels, stadiums and a soccer team, all so the state could finally shine on a global stage.

There was just one thing all that money couldn't buy: the experience of playing in—and hosting—the largest sporting event in the world.

On the night Qatar had waited for since 2010, it opened the World Cup with a damp squib on the pitch and confusion away from it. The national team lost its first-ever match at the tournament, 2-0 to Ecuador, inside a subdued Al Bayt Stadium.

And in downtown Doha, huge groups of fans flocked to the city's largest fan zone, only to be told it was at capacity and turned away by security in a chaotic scene.

For a World Cup that has been defined by controversy for more than a decade, it wasn't the opening night showcase organizers may have envisioned. No host had ever lost its first match since host nations began playing the tournament opener in 2006. And the general mood soured even further as the evening went on as several thousand fans simply left with Qatar trailing at halftime. The final 45 minutes of the game unfolded with large swaths of empty seats despite the announced attendance of 67,372 at kickoff.

Qatar's staunchest defender has proven to be the president of soccer's world governing body, Gianni Infantino. In a news conference on Saturday, he noted the country's progress on workers' rights, insisted that all fans were welcome, and that this tournament, which he says generated more than $7 billion for FIFA over four years, would be the greatest World Cup yet. "If you want to criticize someone, criticize me. You can crucify me," Infantino said. "I'm here for that... Don't criticize Qatar."

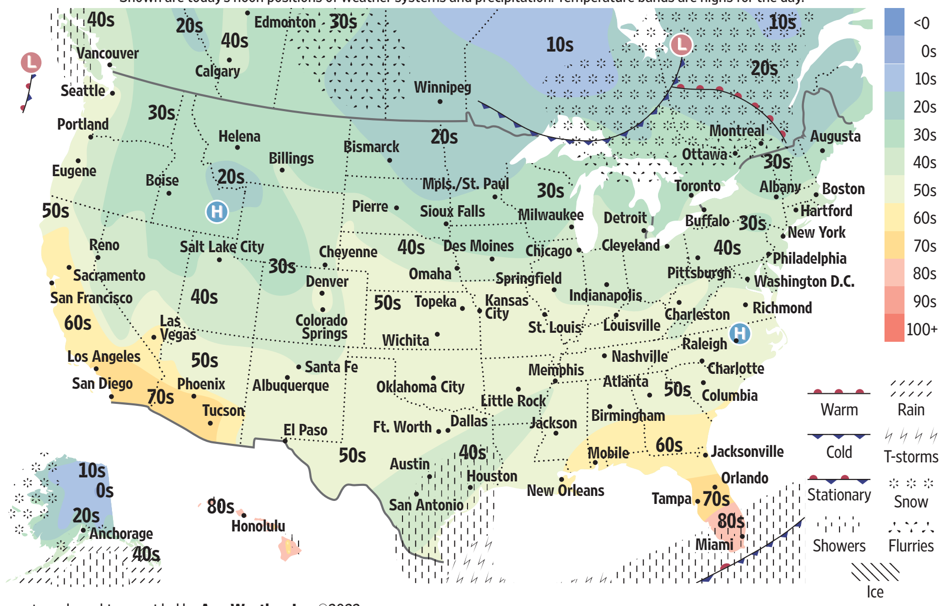
RAUL ARBOLEDA/AGENCE FRANCE-PRESSE/GETTY IMAGES

Enner Valencia scored two goals.

Weather

AccuWeather | Go to AccuWeather.com

Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



Forecasts and graphics provided by **AccuWeather, Inc.** ©2022

U.S. Forecasts

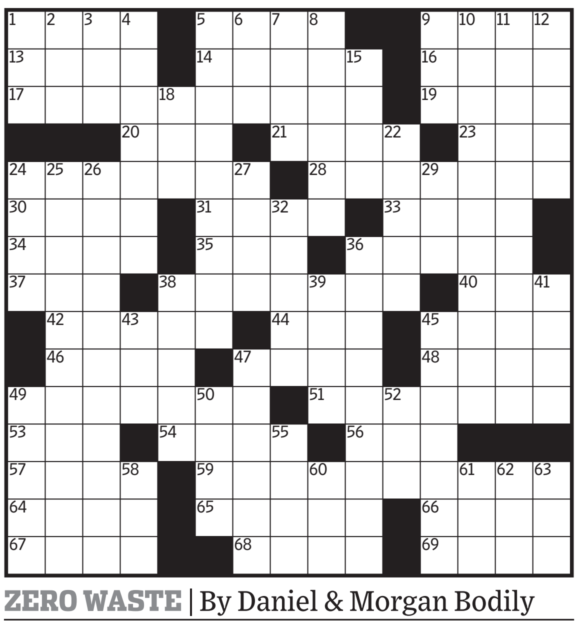
s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Anchorage	34	26	i	31	27	sn
Atlanta	57	42	pc	58	45	c
Austin	44	36	r	58	47	c
Baltimore	48	27	s	53	28	pc
Boise	39	23	pc	43	27	c
Boston	41	35	s	46	36	s
Burlington	37	29	sf	37	31	pc
Charlotte	55	34	s	56	36	pc
Chicago	44	29	s	48	34	s
Cleveland	45	26	s	48	33	s
Dallas	53	38	pc	60	44	s
Denver	51	27	s	54	31	pc
Detroit	42	24	pc	45	29	s
Honolulu	85	73	pc	83	72	sh
Houston	47	41	sh	56	47	pc
Indianapolis	46	27	s	52	32	s
Kansas City	53	31	s	57	37	s
Las Vegas	60	41	s	61	42	s
Little Rock	51	32	s	60	36	s
Los Angeles	75	50	pc	75	48	s
Miami	82	72	sh	82	73	t
Milwaukee	41	27	pc	46	33	s
Minneapolis	32	21	c	41	22	pc
Nashville	54	29	s	59	33	s
New Orleans	60	49	pc	65	53	c
New York City	43	36	s	50	37	s
Oklahoma City	56	32	s	60	37	s
Omaha	46	24	s	54	26	s
Orlando	76	67	sh	76	67	r
Philadelphia	44	32	s	52	33	s
Phoenix	73	49	s	73	47	pc
Pittsburgh	44	24	s	46	27	s
Portland, Maine	37	29	pc	44	28	pc
Portland, Ore.	50	38	c	50	47	sh
Sacramento	61	33	pc	66	38	pc
St. Louis	55	32	s	58	36	s
Salt Lake City	41	25	pc	43	25	pc
San Francisco	64	43	pc	63	47	pc
Santa Fe	50	20	s	49	23	s
Seattle	51	45	c	51	45	r
Sioux Falls	39	23	s	45	25	pc
Wash., D.C.	48	32	s	54	34	pc

International

City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Amsterdam	47	41	c	46	39	r
Athens	69	51	sh	65	60	pc
Baghdad	84	51	s	83	49	pc
Bangkok	91	78	c	91	77	t
Beijing	57	34	pc	48	35	pc
Berlin	34	29	c	41	36	c
Brussels	48	38	r	44	36	r
Buenos Aires	70	58	c	73	66	s
Dubai	86	73	s	90	73	s
Dublin	45	43	r	47	43	c
Edinburgh	43	33	r	43	33	r
Frankfurt	43	37	c	44	34	c
Geneva	48	43	r	44	38	c
Havana	85	69	t	85	67	pc
Hong Kong	77	75	c	76	72	r
Istanbul	69	52	pc	64	54	pc
Jakarta	94	78	c	94	79	pc
Jerusalem	75	53	pc	68	48	pc
Johannesburg	76	55	pc	76	56	t
London	48	41	r	51	41	c
Madrid	58	33	r	47	46	pc
Manila	86	76	r	88	76	pc
Melbourne	58	43	r	63	52	c
Mexico City	69	55	pc	70	52	pc
Milan	54	43	r	61	37	r
Moscow	23	22	c	31	30	sn
Mumbai	87	71	pc	90	74	pc
Paris	45	40	r	48	39	sh
Rio de Janeiro	84	73	s	86	74	s
Riyadh	73	52	s	73	52	s
Rome	62	57	pc	58	44	t
San Juan	84	74	sh	86	74	pc
Seoul	58	43	c	57	49	c
Shanghai	67	57	pc	66	54	r
Singapore	89	79	sh	87	78	t
Sydney	75	48	s	71	54	s
Taipei City	81	73	c	84	71	pc
Tokyo	65	56	r	59	51	c
Toronto	40	26	pc	40	30	c
Vancouver	47	42	c	48	41	r
Warsaw	37	26	c	37	27	c
Zurich	50	40	c	43	36	pc

The WSJ Daily Crossword | Edited by Mike Shenk



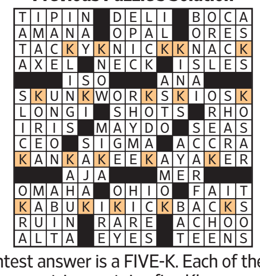
ZERO WASTE | By Daniel & Morgan Bodily

Across
1 Wise adviser
5 Shoe brand with a cougar logo
9 Some servers
13 "Pronto!"
14 Something hard to regain once lost
16 Less-than-peaceful protest
17 *Kind of dolphin
19 13th-century Icelandic book
20 "...___ the ramparts we watched..."
21 Emperor while Rome burned
23 Tina of "30 Rock"
24 *Cylindrical channel marker
28 *Poor musicians have them
30 One might elicit a "Eureka!"
31 ___ Club (warehouse store)
33 Net
34 Small salamander
35 One or more
36 Photos from a satellite, say
37 Camry or Camaro
38 *Musical group with homemade instruments
40 Part of a disguise
42 "The Merry Widow" composer
44 Inspired shout
45 Teller's partner
46 Perform a checkout chore
47 Garden of Eden name
48 Gymnast Korbut
49 *Marine, informally
51 *Chart showing distribution via rectangles
53 Last bit of a dean's address?
54 Counselor to Captain Picard
56 "Sleepless in Seattle" star Ryan
57 Astronaut Armstrong
59 Sad, or, environmentally speaking, where those starred answers' starts don't wind up
64 Airport area
65 President from Scranton
66 "Sleepless in Seattle" director Ephron
67 Additionally
68 Classify
69 Dalmatian feature

Down
1 Chatter
2 GI support group
3 Sewer scamperer
4 No longer on deck, say
5 Flying reptile of prehistory
6 Catering container
7 Particle in cosmic radiation
8 Portfolio listings
9 Wrath
10 Offer parting words
11 Rich source of fresh vocab
12 Remains
15 Garr of "Tootsie"
18 Romania's monetary unit
22 Nonstop
24 President's military role: Abbr.
25 "Well, we shook on it..."
26 Fresh faces on bases
27 Bowen of "SNL"
29 Enjoy a buffet
32 "Oops, sorry!"
36 "Hold your horses!"
38 Treasury secretary Yellen
39 "Moby-Dick" captain
41 Annoying insect
43 Derisive laugh
45 Cork-loaded weapons
47 Beautiful boy of Greek myth
49 Game that finishes with a crash
50 Bust ___ (laugh hard)
52 Marked a ballot
55 "What good would ___?"
58 Constellation with a mane
60 Miss identification?
61 Challenge for a barber
62 Expert
63 Stopped standing

▶ Solve this puzzle online and discuss it at **WSJ.com/Puzzles.**

Previous Puzzle's Solution



The contest answer is a FIVE-K. Each of the four long theme entries contains five K's, suggesting the answer.

OPINION

Mexican Democracy in Peril

AMERICAS
By Mary Anastasia O'Grady

Hundreds of thousands of protesters in cities across Mexico turned out on Nov. 13 to oppose President Andrés Manuel López Obrador's plans to eliminate the independence of the country's electoral authority.

In simpler terms, the world witnessed a national rally to save what's left of Mexico's democracy after four years of AMLO—as the president is known—at the helm.

Mr. López Obrador is subject to a strict one-term limit. He can't legally remain in the presidency beyond the end of his six-year tenure in 2024. Yet he can retain power behind the throne if his Morena Party candidate is declared the winner of the next election.

As an insurance policy toward that end, he has proposed a constitutional amendment in Congress aimed at changing the way members of the National Electoral Institute, or INE, are chosen. If passed, Mr. López Obrador and Morena would be able to gain control of the institute, which is the arbiter of fairness during campaigns and counts the vote in elections.

AMLO also wants to give control of the voter rolls (now in the hands of INE) to the government, use proportional representation to elect the entire lower house of Congress, and eliminate electoral authorities at the state level.

Civil society is having none of it. It went to the streets not for partisan politics but in the defense of competitive elections. In Mexico City alone, a conservative estimate put the size of the demonstration that jammed Paseo de la Reforma at upward of 250,000.

The president dismissed the crowds as a bunch of well-to-do racists. But he's clearly worried about what appears to be broadening resentment against his antidemocratic governance. He can hold his own rallies but he knows they're rent-a-mob events.

He won the presidency in 2018 because the anti-AMLO vote was split among multiple candidates, turnout in northern states was lackluster, and he dominated Mexico City. In this latest outpouring of resistance, an energized opposition has emerged alongside signs that he has lost the support of the intellectual left.

He accused the demonstrators of standing in the way of his agenda, which he calls the "fourth transformation" of the country. That much is true. His consolidation of power in the name of progress is unpopular.

When Mr. López Obrador was elected with nearly 53% of the vote, some Mexican democrats shuddered. His lack of respect for democracy had been well-established when he refused to accept his narrow loss in the 2006 presidential election. There also was grave concern about his vision of restoring centralized economic and political power in the presidential palace of los Pinos.

Others were more sanguine, confident that after more than two decades of reforms designed to modernize the country, Mexican institutions were strong enough to contain the ambitions of the 65-year-old *caudillo*.

President López Obrador lunges for control of vote counters in 2024.

So far the democracy is holding on—barely. AMLO has abused executive authority to shut down construction of the international airport at Texcoco and to give the military a larger role in the economy.

Financial investigations by the government that freeze assets are used to intimidate his adversaries. He employed this strategy to push a Supreme Court justice off the bench as part of his effort to gain control of the high court by filling it with his own picks. He has wrested control of the energy regulator and the hydrocarbons commission, both formerly independent.

The lunge for INE is alarming. With near 90% approval, the institute has a stellar reputation in the country as an impartial referee, ensuring fair elections. Incumbent parties at the local level, for the first time in modern Mexican history, frequently lose elections. While INE relies on government funding, it derives its support, across the political spectrum, from its autonomy and its use of trained citizens to staff polling stations.

AMLO's bully-pulpit insults of the institute have backfired, uniting a broad range of politics. One notable voice at the demonstration in the capital was José Woldenberg, a chairman of Mexico's first independent electoral institute who has a history of working for socialist ideas: "We are gathered here with one clear and important goal: to defend the electoral system that several generations of Mexicans built."

It's possible the mass demonstration will turn out to be only one more protest march thrown on the funeral pyre of democracy in Latin America since Hugo Chávez came to power in 1999 and began taking control of independent institutions. Many large marches in Caracas were unable to stop Fidel Castro's most successful South American protégé.

But Mexico is different from Venezuela, where power was heavily concentrated in the state-owned oil company. Nov. 13 could go down in history as a turning point in the struggle to defend the pluralism, self-government and freedom Mexicans have been working for since the 1990s.

Write to O'Grady@wsj.com.

My Attempt at Tuning Out the World

INSIDE VIEW
By Andy Kessler

Welcome to Thanksgiving week, which raises the question: How do you turn it all off? You know, thinking about work, the fire hose of newsfeeds, emails and texts, constantly solving the never-ending puzzle of a job. I've asked other columnists this question, on this page and others, and to a person they smiled and said, "You don't!"

Things requiring complete focus work for me: Playing basketball. Building an electric car. Skiing. But you can't do these things 24/7. Recently, coming off a family wedding, my wife suggested we go on a wellness retreat. Being a red-blooded American male, I said "absolutely not." We went.

The whole place had that classic spa smell—a mixture of lavender, eucalyptus and mugwort (I asked). I was informed the cucumber water was available only until 4:45 p.m. Not a problem. Everything had a spiritual twist to it. I noticed some people carrying Chopra-branded tote bags. Appropriate because Deepak Chopra personally—well, at a conference with a few hundred people—tried to teach me how to meditate. It didn't take.

I've always been envious—well, not envious, more in awe—of those who could detach from real life with only their thoughts and meditation. Maybe this place could do that for me, and for what they charge a night, it better.

I figured I would spend my time sitting in a hot tub and watching football, my kind of wellness. Little did I know that I was signed up for a host of activities. Sadly, I slept through the morning "Intentions Ceremony," which promised mindfulness and neuroplasticity. I was already behind. I intentionally skipped "Intentions Burning." No need, I've burned many bridges with bad intentions in my life already.

Instead, I was off to "Floating Guided Relaxation"—more my speed. On the table near the door were various crystals. I'm not sure why. I was asked if I wanted a copper bracelet. I passed. Next thing I know I'm suspended a few feet off the ground ensconced in silk sheets hanging from the ceiling, sort of an isolation cocoon closed around me. "Hi, I'm Martha. I want you to trust the process on this journey. Each breath will bring detachment." OK then.

"Your spirits need rest from clutter and commotion." Yes, I'm feeling it. "Let each breath be white, almost sparkly paint that covers you from your toes to your thighs and chest and face until a light shines out of your head." My breathing was working, I was slipping away. Then Martha interrupted. "Let your mind float from your body attached by just a silk cord." What? I took another deep breath. Ah, there it is—until Martha started banging a gong. Hell's bells, I think it severed my silk cord. "Have your mind head toward the vibrations." Pipe down Martha, or I'll never detach. Is this why people go to silent retreats? And then it was over.

At a wellness retreat, they hung me from the ceiling with silk sheets to meditate.

A little squirrelly, and longing for the hot tub, I headed to the "Gratitude Circle" for "medial prefrontal cortex activation and communion." Who doesn't want that? More heavy breathing, until a woman wearing a white turban breathlessly ran in late. She said she was a physician and had just had an epiphany: "Hot oil poured on your forehead, to warm your third eye, actually stimulates the ninth cranial nerve, which drives relaxation." Consulting her notebook, she wouldn't stop talking. Want my gratitude? You need to calm the heck down. Another missed opportunity.

Finally, it was time for the "Sunset Sound Healing" session. We lay down on mats and were told to close our eyes. Wait, won't we miss the sunset? The soothing sound of a recorder played. Our healer explained she had crystal singing bowls, bells, chimes, a crystal triangle and stretched-skin drums, synthetic, not animal skin, of course. "On our journey, don't bring any fear, anxiety or self-doubt." Roger that.

"There will be no analyzing where we're going, no judging." What is this, a therapy session? I heard and felt the crystal triangle swung and played right above my chest (I peeked). Very cool. I was headed somewhere. Then the healer banged a drum repeatedly right above me. The vibrations were intense. It reminded me of John Bonham's "Moby Dick" drum solo when I saw Led Zeppelin at Madison Square Garden. The drum was soon replaced by tubular bells, like Mike Oldfield's soundtrack from "The Exorcist." My head was spinning, as in the movie. Then the drum started beating again and I could swear I saw Linda Blair banging on a Ludwig drum kit at MSG spewing green goo and . . .

I quickly sat up. My pulse was racing. It worked! I was totally focused. I had turned life off. But I don't think I want to do it again.

Write to kessler@wsj.com.

One Man's Trash Is Another's Clean Fuel

By Nick Stork And Joe Malchow

At the end of the 1985 film "Back to the Future," the shambolic Doc Brown swoops in from the future—that is, 2015—to pick up his partner, Marty McFly, in a DeLorean fueled by trash. In 2022 trash-powered vehicles still sound like science fiction, but a technology revolution may be turning them into a reality. Hidden amid the carefully striated layers of waste at the local landfill is a potent energy source: methane gas.

Methane has a lot of potential, but it can also do a lot of harm. When it isn't transmuted into something else, methane is an extremely strong pollutant, 82 times as potent as carbon dioxide. For years, landfill operators had to resort to burning it from atop a tall metal minaret called a flare, resulting in tons of wasted potential energy.

In a lesson about how the energy transition is likely to play out, landfill operators' ability to make use of excess gas has exploded in recent years. New facilities are being created to convert trash into renewable natural gas, molecularly identical to the gas that heats homes. The process cuts down greenhouse-gas emissions while creating a low-carbon energy source, and it supports energy independence by opening up vast quantities of previously untapped fuel.

Engineers are making renewable natural gas from methane.

The potential has spurred major sanitation and energy companies to break into this new market. This year Houston's Waste Management Corp. announced an $825 million investment to boost renewable natural-gas capture. In October the British company BP agreed to acquire Archaea Energy (which one of us founded and the other invested in), a company that designs, builds and operates RNG plants in the U.S. to convert waste emissions. Archaea produces 6,000 oil-equivalent barrels a day through 13 RNG facilities with plans to construct 88 more to serve rising demand. Our only input is trash.

Quiet, private innovation in gas processing made this possible. Archaea sells largely to voluntary buyers who wish to lock in clean gas at fair prices. RNG still comes at a premium compared with other fuel sources, but driving down the cost of producing RNG will mean more of it is available to buyers on attractive terms. We are working to lower the price of RNG by creating standardized and modular production facilities with decreased operating costs, higher processing efficiency, and uptime rates that start above 90%.

Historically, energy investment has been about more deal making. But the technologies that will provide the next leap in energy abundance—solar, batteries and even electrolysis of water into hydrogen—call for something new: high-precision, iterative engineering. Small-scale breakthroughs in gas processing enabled us to improve the portion of usable natural gas recovered from landfills to 95%, up from an industry standard of 75%.

The energy future may mirror computing's past. Rapid cycles of learning yielded step changes in efficiency. When critical thresholds are passed, trillions of dollars in uncoordinated economic potential are unleashed. It happened with metal-oxide semiconductors in the 1990s and is happening with lithium-ion batteries today. But the economy receives this benefit only if a price system untouched by government is allowed to exist.

Some of the predictions in "Back to the Future" proved too far-fetched. Flying cars seem as distant today as they were in the 1980s. But power from trash? Today trash represents a permanent carbon-negative source of natural gas. Voluntary transactions in RNG, and the micro-scale process improvements that have boosted this market, suggest a far more circular economy on the horizon.

Mr. Stork is a cofounder and CEO of Archaea Energy Inc. Mr. Malchow is founding partner of the venture-capital fund Hanover and a director of Archaea.

BOOKSHELF | By D.G. Hart

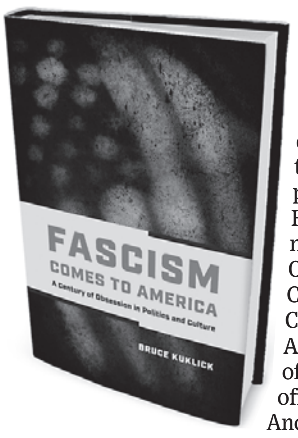
It's Always Happening Here

Fascism Comes to America

By Bruce Kuklick
(Chicago, 245 pages, $35)

Popcorn doesn't come with books published by respected university presses, but in the case of Bruce Kuklick's "Fascism Comes to America," maybe it should. The book is as much about Hollywood as it is about a movement or ideology. Mr. Kuklick, a professor emeritus of history at Penn and an accomplished historian of ideas, turns his skills to Hollywood's treatment of fascism. He explains why American entertainers, intellectuals and others have so often resorted to the term "fascism" to denounce things they don't like: FDR's New Deal, the Reagan Revolution and much else.

The contrast with communism is striking. "The United States routed the fascists militarily but not the communists," he writes. "Yet fascism has remained alive in American imaginations long after its eclipse in 1945." Movies reveal popular sentiments in ways policy analysis does not. Hollywood's use of farce to portray fascism illustrates a problem at the heart of this book. Hollywood did produce a few movies that mocked communism. One was "The Russians Are Coming! The Russians Are Coming!" (1966), a comedy starring Alan Arkin about the misadventures of a Soviet submarine crew stalled off the coast of New England. Another was "Red Heat" (1988), with Arnold Schwarzenegger (Soviet) and Jim Belushi (American) as "buddy-cops" catching a Georgian drug kingpin. Such communist-based farces vanished once the Cold War ended.



The opposite was true for fascism. During the days of Mussolini and Hitler, the Marx Brothers ("Duck Soup," 1933) and Charlie Chaplin ("The Great Dictator," 1940) poked fun at fascism and succeeded at the box office. After the defeat of the Axis powers, fascism remained an object of derision. For instance, Billy Wilder's "A Foreign Affair" (1948) featured Marlene Dietrich as a former mistress of a high-ranking Nazi whose allure, Mr. Kuklick writes, "hinted at the bizarre erotic possibilities that National Socialist women" had for American men. "Stalag 17" (1953) rendered Nazi soldiers as "central fools" inside a POW camp. The success of that movie paved the way for one of the strangest successes in American television history, "Hogan's Heroes," which aired from 1965 to 1971. Jewish actors who had fled Nazi Germany played Col. Klink and Sgt. Schultz. Only two decades removed, these fictional soldiers were little more than hapless stooges.

Midcentury historians writing shortly after the war's end, Mr. Kuklick shows, didn't see fascism around every corner. Arthur M. Schlesinger Jr., in "The Vital Center" (1949), and Richard Hofstadter, in "The Age of Reform" (1955), contrasted America's liberal polity with extremes of right and left. Both advocated what now looks like a pompous and naive consensus liberalism, but neither categorized politics outside the mainstream as fascist.

Their reticence didn't last. The Vietnam War and the crisis of Watergate stoked American historians' obsession with fascism. A younger generation of scholars looked back to the 1930s and '40s to find parallels with contemporary America. For them, Mr. Kuklick writes, fascism was "a political expletive" not "an investigative concept." American policies on Native Americans conformed to definitions of genocide, in some historians' judgments. George Washington, in another study, qualified as an instigator of fascism. Jacksonian democracy's "völkisch" dimensions adumbrated the Nazis. Theodore Roosevelt's imperialist foreign policy leaned fascist.

Fear of communism has all but vanished in American culture since the Soviet Union fell. But fear of fascism has only grown since 1945.

Intimations of fascism persisted among the creative class and journalists. Tony Kushner's play "A Bright Room Called Day" (1985) compared Ronald Reagan to Hitler. The 1993 movie "Falling Down," starring Michael Douglas as a former engineer for the defense industry, explicitly evoked America's "fascist flavor" when the psychologically unstable protagonist shoots a gun-store owner. Meanwhile, conservative writers like Jonah Goldberg, in "Liberal Fascism" (2008), and Dinesh D'Souza, in "The Big Lie" (2017), used fascism to explain the American left.

It didn't take much prodding, after Donald Trump's election in 2016, for fascism's explanatory power to grow. Two scholars who refrained from characterizing the United States as fascist, Columbia University's Robert Paxton and Yale's Timothy Snyder, stood out for independent judgment. Mr. Paxton's essay "The Five Stages of Fascism" (1998) described political processes that escaped ideological conformity. Mr. Snyder's "Bloodlands" (2010) recognized important affinities between Nazi Germany and the Soviet Union. Yet after the 2016 election Mr. Snyder wrote essays and books about a fascist takeover, and after the Capitol riot of Jan. 6, 2021, Mr. Paxton a piece in Newsweek headlined "I've Hesitated to Call Trump a Fascist. Until Now."

Readers may need whiskey to accompany that popcorn when they come to Mr. Kuklick's brief excursus on American government and the Founders' "agony" over democracy. He surmises that Americans' obsession with fascism is the flip side of a collective inability to reckon with the calamitous gap between the Founders and contemporary America. The "Constitution's republicanism" has given way to democracy, the very polity the Founders hoped and planned to avoid. Repeating "democracy" as a benediction and "fascism" as an epithet obscures the contradiction between American reverence for the Founders and ignoring the limits they placed on democracy. We "are estranged from them, and they ought to be strange to us," Mr. Kuklick warns. The author's point is simply that "an unthinking dedication to democracy" prevents Americans from learning from the Founders or acknowledging changes in their government.

His final observations about Mr. Trump may point the way forward. For Mr. Kuklick, the former president fails to qualify as a fascist because of an isolationist (not expansionist) foreign policy and domestic programs that favored federalism and localism (not nationalism). Moreover, Mr. Trump had "only modest electoral support" and was "disliked by well over half the voting public." None of this was true of Hitler and Nazi Germany. The author could well have added that Germany's intellectual class praised Hitler in contrast to American intellectuals who despised Mr. Trump. Mr. Kuklick thinks contempt for Mr. Trump is justified. But calling him a fascist, he rightly insists, is an awful way to express it.

Mr. Hart teaches history at Hillsdale College and is the author of "Benjamin Franklin: Cultural Protestant" (2021).

OPINION

REVIEW & OUTLOOK

Biden Signs Up for Climate Reparations

The latest shakedown will pay poor nations for our fossil-fuel sins.

The use of climate policy to soak Americans keeps getting worse, and the United Nation's climate conference in Egypt ended this weekend with agreement on a new fund to pay reparations to poor countries. Welcome to the latest climate shakedown.

Poor countries have long sought to force wealthy countries to pay for the "loss and damage" they suffer from natural disasters that are supposedly climate-related. This is separate from the $100 billion a year that rich countries have promised to help poor countries reduce emissions and adapt to climate change.

The 2015 Paris accord suggested rich countries compensate poor countries for climate damage—the rationale being that industrialization has increased temperatures and led to natural disasters. Poor countries finally forced discussion of a formal mechanism to pay climate reparations onto this year's U.N. conference agenda.

John Kerry, the U.S. climate envoy, dismissed the idea earlier this month: "It's a well-known fact that the United States and many other countries will not establish . . . some sort of legal structure that is tied to compensation or liability. That's just not happening." But on Thursday Europe abandoned the U.S. by proposing a deal, and Mr. Kerry rolled over.

Wealthy countries will now set up a fund to cover climate damage for the least developed countries—i.e., not China or middle-income nations. This will be financed from "a broad donor base" and "mosaic of solutions," such as international development banks and taxes on aviation, shipping and fossil fuels.

Europe hopes this will induce poor countries to reduce emissions to meet the Paris target of limiting global warming to 1.5 degrees Celsius compared to pre-industrial levels. The world has already warmed by 1.1 degrees, and a U.N. report last month estimated temperatures would rise 1.8 degrees even if Western countries meet their "net-zero" goals.

But China emits two-thirds more CO2 than Europe and the U.S. combined. Coal accounts for 60% of China's power generation, and more new coal plants are set for approval through 2025 than the entire existing U.S. fleet. China says it needs more coal power for energy security and, unlike Europe and the U.S., it won't commit climate suicide.

In return for climate reparations, Mr. Kerry tried to force an agreement to phase down "unabated" fossil fuels. Low-income countries understandably refused since doing so would consign their citizens to poverty. The Biden climate agenda has increased energy prices in the U.S., and the climate lobby doesn't mind if this misery spreads around the world.

Details about the reparations fund—such as which countries will pay, how much, and which countries will benefit—will be fleshed out over the next year. Biden officials claim the agreement doesn't create new liabilities for Americans. But the U.S. and Europe are conceding the principle that their emissions cause climate damage even though there isn't a definitive link between rising CO2 levels and natural disasters such as the monsoon flooding in Pakistan this year.

All of this ignores the benefits for humanity, rich and poor, that economic growth spurred by capitalism have provided. American taxpayers are being asked to pay because the U.S. industrialized first and then lifted billions of people out of poverty via investment and trade.

House Republicans won't appropriate money for the fund, but the Administration could tap international development banks that the U.S. funds. Next time Democrats control Congress, they will argue that the U.S. has an obligation to pay reparations, as they argued that the Inflation Reduction Act's climate spending is necessary to meet the Paris commitments.

Countries might also shake down U.S. fossil-fuel producers in their own courts. Climate reparations will merely serve as another form of global income redistribution. The Biden Administration's surrender shows again that the religion of climate change is progressive penance for the sin of being prosperous.

California Heads for a Budget Crunch

Democrats in Sacramento last month sent $10 billion in direct payments to voters. Please don't call them bribes. But with the election past, the state Legislative Analyst's Office (LAO) last week broke the bad news that the state government now faces a $25 billion shortfall next year—assuming there isn't a recession.

California's steeply progressive income tax makes it heavily dependent on the income, and especially the capital gains, of high earners. The top 0.5% of taxpayers pay 40% of state income tax. Tax revenue surged in the pandemic as the Federal Reserve's loose monetary policies inflated asset values. Many tech workers cashed out stock options.

Surging capital gains and a gusher of federal pandemic relief contributed to a $97 billion budget surplus in this fiscal year and $76 billion a year earlier. As usual, Democrats spent like this would never end. But stock values, especially of high-flying tech companies, have crashed since the Fed began tightening more aggressively this year. Silicon Valley companies are laying off workers.

So little surprise, the state budget analyst now forecasts a $25 billion hole in the next fiscal year, which it says "understates the actual budget problem in inflation-adjusted terms" because it didn't adjust many spending programs for inflation. "Assuming the Legislature wanted to maintain its current level of services, additional spending would be necessary," the LAO says.

That's a more than fair assumption. Government unions and liberal interest groups scream about budget "cuts" whenever spending doesn't grow as fast as inflation. The LAO also assumes that "the Legislature enacts no new policies over the period." What are the chances of that with Gov. Gavin Newsom preparing to run for President in 2024?

Oh, and another caveat: The LAO forecast doesn't account for a potential U.S. recession, in which case "revenues could be $30 billion to $50 billion below our revenue outlook in the budget window," the analyst warns. That means the state could be staring at a $75 billion budget deficit next year.

Progressive demands will then mount to raise taxes again on high earners, as Democrats did in 2012. The Democrats who run Sacramento enjoy the revenue highs but always need another fix. The lesson for other states is not to get hooked in the first place.

John Eastman's Sorry Excuse for Jan. 6

He claims he didn't tell Pence to reject electors. Here are receipts.

In the lead-up to the Jan. 6 riot, John Eastman gave President Trump legal advice that was terrible, and now he's trying to argue it was merely awful. In a letter to these pages on Nov. 14, Mr. Eastman, a former law professor of some distinction, denies he argued that Vice President Mike Pence "could unilaterally reject electoral votes and simply declare President Trump re-elected."

Mr. Eastman claims he made only a modest proposal, Swiftian allusion intended: "The advice I gave to then-Vice President Pence was that he accede to requests from hundreds of state lawmakers to delay proceedings for a short time so that they could assess the effect of illegalities on the conduct of the election." Mr. Eastman specifically refers to a conversation during an Oval Office meeting on Jan. 4, 2021.

But his position is contradicted by the sworn testimony of Mr. Pence's legal counsel, Greg Jacob. According to Mr. Jacob, Mr. Eastman argued at the Jan. 4 meeting that it would, in fact, be "legally viable" for the VP to reject electors. Mr. Eastman advised against this plan only because it would be "less politically palatable." That concession apparently didn't last.

The debate was renewed the next morning, Jan. 5. "When Mr. Eastman came in," Mr. Jacob testified, "he said, I'm here to request that you reject the electors. So on the 4th, that had been the path that he had said, I'm not recommending that you do that. But on the 5th, he came in and expressly requested that." A piece of Mr. Jacob's handwritten notes is in the public record. The top reads: "John Eastman meeting 1/5/21." Then: "Requesting VP reject."

There also are the two memos Mr. Eastman produced in advance of Jan. 6, which circulated among Mr. Trump's advisers. "Here's the scenario we propose," the first one says. The VP "announces that because of the ongoing disputes," seven states have "no electors that can be deemed validly appointed," and "Pence then gavels President Trump as re-elected." The second memo offers a menu of options. One is for Mr. Pence to outright reject electors.

A final thing to point out is that the argument in Mr. Eastman's letter isn't a defense. It's more like a plea bargain to a lesser transgression against the American republic. Asking Mr. Pence to reverse the 2020 election directly was appalling. Asking the VP to stall the Electoral College, so that state legislatures could reverse the 2020 election, was also appalling.

Suppose Mr. Pence had tried to delay. The result would have been a constitutional crisis. Federal law sets the time for choosing presidential electors, and it's Election Day in November. Mr. Trump wanted state lawmakers to overrule the will of the voters two months later, and two weeks before the scheduled transfer of power, despite no proof of widespread voter fraud. Doing this could have led to violence.

Also, the 12th Amendment says the Electoral College shall be tallied "in the presence of the Senate and House of Representatives." Democrats controlled the House. Speaker Nancy Pelosi would not have permitted any joint session to reconvene and tally those phony electors. With no Electoral College count by noon on Jan. 20, who's next in line to become President? The Speaker of the House. Or perhaps the Supreme Court would have intervened.

Getting this history right matters. "The Vice President has the power to reject fraudulently chosen electors," Mr. Trump tweeted on Jan. 5, 2021, the day before the riot. He didn't come up with that idea himself.

LETTERS TO THE EDITOR

Use the Civil Rights Act to Fight Wokeness?

Vivek Ramaswamy and Jed Rubenfeld complain with some justification that "viewpoint discrimination" violates the spirit of the Civil Rights Act of 1964. How could it not? ("The New Discrimination Demands a New Law," op-ed, Nov. 16). The Civil Rights Act was the culmination of a movement to transform the way Americans think, feel and act with regard to race.

The assumption was that we were all racists who would rather shoot ourselves in the foot than hire a black man to do a job for which he was eminently qualified. The idea spread to sexual discrimination; we were all male chauvinists who would rather tear out a vital organ than allow some member of the fair sex to show us up at our chosen calling. Finally, the idea spread further, with the goal of overcoming the overcomers with pronoun preferences, hormone therapies, queer theory and other innovations that would have been quite startling to the marchers at Selma.

Why would we want to expand the Civil Rights Act when, in the hands of select jurists, it has already become so infinitely malleable that we can no longer tell the dancer from the dance? Do Messrs. Ramaswamy and Rubenfeld really believe that viewpoint discrimination, which is political repression by another name, is less invidious than the old forms of discrimination based on religion and race? There is no law that can protect dissenters from the tyranny of popular opinion. That music stopped playing a long time ago.

Robert Kornfeld
Chicago

Messrs. Ramaswamy and Rubenfeld propose to amend the Civil Rights Act to combat "corporate wokeness" by outlawing employment discrimination based on an employee's "political beliefs." As an attorney who has handled employment matters for over 40 years, I disagree.

Enforcement of such a law would pose practical difficulties, such as ascertaining what constitutes a protected political belief. The result: expensive, unproductive litigation. The authors cite cases under the Civil Rights Act holding employers liable for expressions of politically charged viewpoints claimed to create hostile work environments for minorities or women. The solution isn't to expand the law, creating yet another basis for an employee to challenge a discharge.

A law prohibiting discrimination based on political beliefs, they suggest, would provide legal cover to CEOs to resist cancel-culture pressure. But when a company injects itself into political causes, that is a business decision. The marketplace provides the best barometer for evaluating these decisions, and it isn't the role of government to insulate corporate executives from the consequences.

Kenneth A. Margolis
Chappaqua, N.Y.

Messrs. Ramaswamy and Rubenfeld might look beyond federal First Amendment doctrine for a framework for protecting political beliefs in the workplace. A handful of cities have protected "political beliefs" or "ideology" from discrimination in employment, as well as in housing and public accommodations, for decades. Ann Arbor, Mich., Madison, Wis., and Seattle enacted such protections before "woke discrimination" was a thing; indeed, one wonders if these cities would pass similar ordinances today. Nonetheless, these local laws remain on the books and can serve as models for additional legislation protecting against unreasonable political discrimination.

Prof. Paul A. Diller
Willamette University College of Law
Wilsonville, Ore.

Law Schools Need a Better Ranking System

Yale Law School's withdrawal from the U.S. News rankings is significant, as Yale has been ranked No. 1 since the start of the rankings ("Yale and Harvard Law Unrank Themselves," Review & Outlook, Nov. 18). But the decision comes as no surprise to many of us in academic leadership.

The rankings system is fraught with challenges: unstated calculations known only to U.S. News's editors and a 40% subjective "reputation" score in which law-school deans rate their own schools and competitors. The metrics also affect how schools behave. For example, as Yale pointed out, the criteria can discourage public-interest work.

The fact remains, however, that prospective law students need a way to evaluate an investment in their lifetime profession. Rankings also can help demonstrate that a lesser-known school deserves consideration. While rankings shouldn't be the only factor, they play an important role in a student's decision. I hope that the Yale and Harvard announcements will lead to a thoughtful discussion between U.S. News editors and the nation's law-school deans about a reformed ranking system.

Prof. Ken Randall
Dean, Antonin Scalia Law School
George Mason University
Arlington, Va.

Trump's 'Charge of the Lightheaded Brigade'

Former President Donald Trump and his diminishing MAGA legions are now worse than losers, for they have become boring ("Can Trump Change His Stripes?" by Daniel Henninger, Wonder Land, Nov. 17). It's the Charge of the Lightheaded Brigade: Theirs not to reason why, theirs but to do and (electorally) die.

Mr. Trump is an albatross now, no longer a warhorse. But he is relentless, his ego directing another run for Oval Office gold. He is like an old entertainer responding to the smell of greasepaint even though audiences are dwindling and catcalls resounding. And while he has a good chance to win enough primaries to wrest the nomination from more reasonable and temperate candidates, that will happen only if his base remains solid and opposition candidates splinter the non-Trump vote. I suspect such a candidacy will lose again irrespective of a change of stripes for, while Americans are responsive to confession and repentance, those features would be uncongenial to his base.

Paul Bloustein
Cincinnati

The New Spiritual Edition Of 'Two Birds, One Stone'

Mike Kerrigan makes the excellent observation that merging unrelated goals can help us overcome spiritual stagnation ("Running Jump-Started My Prayer Life," op-ed, Nov. 15). Several years ago I discovered that my ability to speak German had deteriorated. At the same time, I was struggling to maintain a daily Bible-reading plan.

To motivate myself, I combined these goals and began reading a German-language Bible every day. Almost instantly I began to look forward to reading the Bible because it was an opportunity to improve my German. My German vocabulary is now the strongest it has ever been.

More important, starting my day reading about how God the Father has reconciled us through Jesus has become a source of pure enjoyment that I couldn't imagine omitting from my routine.

Dallas Andersen
Arlington, Texas

The Art of Inflation Talk

Inflation dropping from 8.2% in September to 7.7% in October isn't good ("A Tentative Inflation Break," Review & Outlook, Nov. 11). It's only less bad—akin to politicians saying they cut spending when they really only raised spending less than they wanted. It's a creative use of words. Is this why English classes were changed to "Language Arts"?

Nathan Sachritz
Portage, Mich.

Life Is Hard? Deny, Deny

Jennifer Frey's review of Kieran Setiya's philosophy book "Life Is Hard" (Nov. 11) puts forth that the one virtue necessary to cope with all of life's vicissitudes is hope. I am no philosopher, but I would add that a bit of denial also helps along the way.

Jonathan Fox
Linwood, N.J.

Letters intended for publication should be emailed to wsj.ltrs@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

Pepper ... And Salt

THE WALL STREET JOURNAL

"You say you're listening, but that's not what I get from your body language."

OPINION

The U.S. Needs a Better Digital Dollar

By Kevin Warsh

China is giving the U.S. a run for its money. The recent launch of a digital form of the Chinese yuan—bolstered by a disruptive new technology—threatens the dominance of the U.S. dollar and American hegemony. U.S. policy makers should heed the moment and respond with a strengthened form of the dollar in service to the national interest.

The greenback is trading at its strongest level since 2002, up more than 10% year-to-date against most major currencies, including the yuan. U.S. authorities, however, shouldn't misread the dollar's strength. American output has fallen, just not as far or fast as that of our big trading partners. The Federal Reserve is raising rates belatedly to slow inflation, but there is a high price still to be paid for high prices.

China's new digital yuan could compete as a reserve currency and undermine U.S. financial dominance.

China's currency weakness is a function of the country's economic travails. Economic output and productivity are considerably weaker than official statistics claim. Its businesses are retrenching and its exports are flagging. Its people are getting old faster than they are getting rich. The yuan's frailty is also a result of China's policy choices. In recent years, efforts to persuade foreign investors to add the yuan to their holdings have had limited success. Heightened capital controls and an unreliable rule of law haven't made for an attractive alternative to the U.S. dollar.

Enter the game-changer of cryptocurrency. Don't be deceived by the thousands of private cryptocurrencies masquerading as money in some form of circulation. Many of these schemes are fraudulent, and most are worthless. Cryptocurrency is a misnomer. It isn't secretive and it isn't money. It is software. And it is a significant technological breakthrough that poses promise and peril for the American-led global financial system. In the hands of a powerful sovereign such as China, the new software is an effective way to launch the yuan into the big leagues.

That's why China's new central bank digital currency, called e-CNY and launched in April 2020, is so consequential. China's e-CNY will be the technology backbone for most wholesale transfers among the People's Bank of China, financial firms and foreign institutions. If foreign businesses want continued access to the vast Chinese market, they will be compelled to use the digital currency and its wholesale payment network to conduct business. When fully implemented, e-CNY will also be the dominant retail protocol, eventually handling most personal financial transactions. China's central planners will have a powerful tool to monitor transactions and enforce compliance with government directives.

China's sphere of influence is expanding in Asia, Russia and the Middle East. Its leaders envision e-CNY as a parallel international payment and currency network to that of the West. If a new bipolar world emerges—by some imprudent mix of Chinese force and American fatigue—the dollar's dominant role could be undermined. Decoupling the world's two largest economies wouldn't be limited to imports and investment, munitions and might. It could well include the rise of a powerful alternative reserve currency.

DAVID KLEIN

Absent leadership by the U.S., authorities in China—with a decidedly different view of the public good—are trying to use the new technology to erode America's global standing. The Fed and Treasury should cease to play the slow game while China builds a new digital monetary and financial architecture. America's other big trading partners won't wait around while U.S. authorities consider incremental reforms. The status quo is neither satisfactory nor sustainable.

One option, popular among some in Washington, is for the U.S. to create a dollar copycat of China's digital yuan. The Fed would intermediate wholesale and retail payments, including as the direct counterparty to U.S. consumers. This is at odds with the American ethos of privacy from government intrusion. The specter of state surveillance of individual spending is dangerous. The interface with citizens should rest with the private sector.

The Biden administration appears to promote another alternative: Give the government's imprimatur to privately issued stablecoins. I am skeptical that a host of private cryptocurrencies are sufficiently strong and reliable proxies for the U.S. dollar. I also doubt that bank-like regulation of private stablecoins would ensure their stability in stressful times, absent government bailouts.

So what to do? The U.S. should announce the essential design features of a digital dollar to be used exclusively for wholesale transactions. The existing wholesale payment system is slow, cumbersome, opaque and expensive. The new regime would more effectively intermediate payments among the government, financial firms and foreign central banks. Settlements would be made faster. Payments would be cheaper. Cross-border transfers would be seamless. Money creation would be more transparent.

A currency reigns supreme until it doesn't. The new digital dollar would strengthen the currency for a new era, and bolster America as leader of the global economic system. Compared with China's e-CNY, the proposal has superior attributes of sovereign control, monetary soundness, financial innovation and individual privacy. The U.S. and its allies need sound and stable money to escape a period of weak output, high inflation and geopolitical conflict. A digital dollar backed by America's full faith and credit would be an important part of a reformed financial and monetary architecture.

Mr. Warsh, a former member of the Federal Reserve Board, is a distinguished visiting fellow in economics at the Hoover Institution.

What Donald Trump and Sam Bankman-Fried Have in Common

LIFE SCIENCE
By Allysia Finley

FTX founder Sam Bankman-Fried's crypto empire went bankrupt gradually, then suddenly, to borrow a line from Ernest Hemingway. Maybe that's how we will look back on Donald Trump's political currency too. The two disruptive figures operate on different ends of the political spectrum, yet both achieved success in similar ways and have fallen into disrepute for similar reasons.

Both became famous by building a marketing juggernaut, befriending celebrities and projecting an aura of success. Both exploited the political predispositions of their supporters—for Mr. Trump, conservative grievances against America's liberal ruling class; for Mr. Bankman-Fried, progressive intellectual vanities.

Consider Mr. Bankman-Fried. Not only was the 30-year-old vegan the second biggest donor to Democrats this election cycle, he championed fashionable progressive causes such as carbon neutrality, inclusive capitalism and "effective altruism."

He even tapped Brazilian supermodel Gisele Bündchen as FTX's "Environmental and Social Initiatives Advisor." "I came to FTX after I spoke to Sam's dad"—Joseph Bankman, a Stanford law professor—who was "really into environmental education," Ms. Bündchen told Forbes in April. "When Sam made it clear that he was really committed to giving back, they asked me to help them understand what could create the biggest impact."

Mr. Bankman-Fried touted cryptocurrency as a means of making finance more "inclusive." "One of the biggest benefits of crypto is equitable access to finance," the FTX founder said in the same joint Forbes interview. "With overdraft fees, some people can barely get access to their own assets." After the past two weeks, FTX customers may never have access to their assets again.

The former president and the crypto mogul both cast themselves as saviors—for Mr. Trump of America's working class; for Mr. Bankman-Fried of failed crypto firms, which he has spent hundreds of millions of dollars to rescue over the past year. Both betrayed their supporters.

Mr. Trump sold the false narrative that the 2020 presidential election had been stolen. He then gulled his base into voting for GOP candidates who echoed his conceit in this year's primary elections—nearly all of whom went on to lose in November. As a result, Republicans will have a harder time pushing back against the progressive agenda.

Mr. Bankman-Fried assured customers that his exchange would safeguard their deposits as it lent out more than half of them to his Alameda Research trading house to fund risky bets. Many customers who sought to withdraw their funds earlier this month weren't able to because FTX had lent them to Alameda.

Both men cast themselves as saviors. Yet both deceived and exploited their supporters.

Neither man has owned up to or apologized for his deceptions. Mr. Trump still claims the 2020 election was stolen and blames GOP losses in key Senate races on Mitch McConnell. Mr. Bankman-Fried insisted last week that nothing he told customers was technically inaccurate because Alameda, not FTX, invested their deposits. He blamed FTX's collapse on "messy accounting" and claimed his biggest mistake was putting the company into Chapter 11 bankruptcy.

Now both fallen heroes seek redemption. Mr. Trump has announced his bid for president in 2024. Mr. Bankman-Fried is soliciting a bailout for his bankrupt enterprise. "I have 2 weeks to raise $8b," he wrote in a Nov. 15 Twitter message to Vox's Kelsey Piper. "That's basically all that matters for the rest of my life."

Yet there's one striking difference: Most Republicans didn't buy Mr. Trump's election lies, and many GOP leaders called them out. By contrast, a sycophantic press and sophisticated investors—including BlackRock, Sequoia Capital and SoftBank—seem to have disregarded the glaring red flags about Mr. Bankman-Fried.

These include FTX's cozy relationship with Alameda. The companies shared a corporate campus in the Bahamas where an FTX affiliate reportedly spent $74 million on luxury resort and condo properties. Mr. Bankman-Fried dated the Alameda CEO, who frequently accompanied him to meetings. FTX's financial reports acknowledged that some staff worked for both firms.

As for corporate governance, FTX had only three directors on its board, including Mr. Bankman-Fried and another company executive. A profile on Mr. Bankman-Fried published by Sequoia Capital, titled "Sam Bankman-Fried Has a Savior Complex—And Maybe You Should Too," showed the FTX founder playing videogames during meetings.

Media puff pieces likened him to J.P. Morgan and Warren Buffett, yet none seemed to ask about the source of the $37 million he donated to Democrats or the hundreds of millions he used to rescue distressed crypto firms. Why? Perhaps because he championed their progressive hobbyhorses and used their favorite buzzwords.

It was all a ruse to win positive PR, Mr. Bankman-Fried acknowledged last week to Ms. Piper: "I feel bad for those who get [harmed]," he wrote, using an obscenity, "by this dumb game we woke westerners play where we say all the right shiboleths [sic] and so everyone likes us." Mr. Bankman-Fried may not believe in anything greater than himself any more than the former president does.

FTX failed because Mr. Bankman-Fried's supporters lost confidence in him. That may be how Mr. Trump finally crashes and burns too.

Elon Musk Can Save Twitter—and Democracy

By Mark Weinstein

Twitter's value has likely fallen far below the $44 billion Elon Musk paid for it in October. In recent days, Mr. Musk has said that "Twitter has had a massive drop in revenue" and warned staff that "bankruptcy isn't out of the question." He needs to shore up this hemorrhaging dam quickly. As a veteran of the social-media trenches for more than 25 years, I have some advice for Mr. Musk.

First, he needs to resolve advertiser concerns that their ads will appear alongside unsavory content. Following Mr. Musk's takeover, General Mills, United Airlines, Pfizer and General Motors paused ad spending. Advertising giants IPG and Omnicon recommended their clients pause ads as well. Advertising fills nearly 90% of Twitter's revenue coffers, so a remedy is urgent.

Perhaps rather than task his engineers with updating Twitter Blue, they should immediately create an advertiser content-preference system. Allow advertisers to select the tenor and topical content that their ads are associated with, in tandem with their targets for user demographics. This will assuage concerns and could improve advertiser returns on investment.

Second, Mr. Musk must reconsider his new feature allowing any user to have a verification badge simply by paying $8 a month for Twitter Blue. He claimed via tweet that "it is the only way to defeat the bots and trolls." Unfortunately, this has led to a rash of verified accounts impersonating public figures, companies and organizations, wreaking mayhem on their brands.

Despite this unintended consequence, Twitter Blue now offers verified accounts the chance to have their tweets "rocket to the top of replies, mentions and search." Bot and troll armies are frequently funded by hostile governments and other bad actors looking to disrupt civil discourse. Now they can pay for verification and "rocket to the top," giving them more disruptive influence than ever.

To defeat the bots and trolls now, Mr. Musk should relaunch Blue's verification in tandem with some form of Real ID. This will cause another revenue haircut as these subscriptions are removed, but it will likely be offset by the return of advertisers to the site.

Third, Mr. Musk must establish open discourse on the platform without being an absolutist in free speech. Mr. Musk has dubbed himself a "free speech absolutist" and tweeted he doesn't want Twitter's moderation to "go beyond the law." Increasing free speech on Twitter is vital to bolstering democracy, but sites that allow absolute free speech are overrun with hateful posts, spam, pornography, bullying, doxing and incitement of violence. Since Mr. Musk took Twitter's reins, racial slurs and hate speech have surged on the platform. This could significantly reduce Twitter's membership.

The best approach embraces light, even-handed moderation with no political bias and no double standards. This means a few simple rules: no inciting of violence, no bullying, no doxing, no hateful posts—with the last defined clearly and narrowly, in a way partisans on both sides can understand and agree with. Allow people of all viewpoints to speak freely and engage in hearty debates about politics, health issues, diets, lifestyles, etc. This approach isn't conservative or liberal. It's American.

The company is losing value by the day. Here are six steps to restore user and advertiser confidence.

Fourth, Mr. Musk must make good on his intention to oversee a Twitter with little propaganda. This may be his most important goal. Marketers, politicians and governments use Twitter to target unsuspecting users and manipulate their emotions, opinions, purchasing decisions and voting behaviors. Paid, purposefully misleading and polarizing content can spread like wildfire across the platform. In the short term, the way to solve this is to stop letting users pay to boost and amplify content.

Fifth, Mr. Musk can follow through on his proclamation that Twitter's algorithms will become "open source to increase trust." Brilliant idea. All will know how they are being manipulated and can choose whether to opt out. But as with all opt-outs, users pay scant attention to the settings toggle that adjusts this preference. Twitter must go an extra step: No algorithms manipulating user newsfeeds or boosting unwanted content, period. Users receive posts from the accounts they follow in their feed in timeline order. That's it.

Sixth, to earn public trust and appeal to a wide user base, Twitter and its leadership must remain politically neutral. Mr. Musk's recent tweets telling Twitter users to vote Republican before the midterms and sharing conspiracies about Nancy Pelosi's husband miss the mark. As Parler and TruthSocial have proven, one-sided echo chambers quickly become untenable for users and don't make for healthy businesses.

Twitter is the closest thing the world has to a digital town square. Fixing it is vital for the future. Preserving free-speech principles and eliminating paid propaganda are critical. I hope Mr. Musk will consider these recommendations to help Twitter strengthen civil discourse and restore trust with its users.

Mr. Weinstein is founder of MeWe.

Notable & Quotable: Midterms

From "The Election, by the Numbers" by Jeffrey H. Anderson for City Journal, Nov. 18:

Midterm elections normally serve as referendums on incumbent presidents—to whom voters seldom give the benefit of the doubt, and whose parties almost always lose substantial numbers of seats in the House of Representatives and often the Senate, as well. . . .

So, what happened? A pair of numbers leaps out of the exit polling: 32 percent of voters said that they cast their House vote to "oppose" President Joe Biden, while 28 percent said they cast their House vote to "oppose" former President Donald Trump. In other words, for every eight votes cast against Biden, all but one [were] negated by a vote cast against Trump. This is surely unprecedented in a midterm election. It's nearly impossible to imagine a previous midterm in which almost as many people voted against the loser of the previous presidential contest as voted against the winner. How many people, for example, bothered to vote *against* Richard Nixon in 1962, Jimmy Carter in 1982, George H. W. Bush in 1994, or even Hillary Clinton in 2018?

THE WALL STREET JOURNAL.
PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

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VICTORY IS A STATE OF MIND

LOUIS VUITTON

TECHNOLOGY: TIKTOK IS STILL HIRING B4

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Carvana Faces a Cash Crunch

Online used-car dealer's sales are slowing, as borrowing costs are going up

By Margot Patrick and Kristin Broughton

Carvana Co., the used-car dealer that was a pandemic winner, is rushing to conserve cash as once-plentiful financing options dry up and business deteriorates.

On Friday, Carvana laid off about 1,500 people, its second round in six months. Its weakening finances mean raising funds would be difficult and costly, and it could run out of cash in a year, analysts say.

Few companies have been hit harder by rising interest rates than Carvana. The company's interest expense nearly doubled early this year when it paid up to get financing for an acquisition. Its cost to finance car purchases is up 75% this year, and some of its real estate has lost value. Car buyers, meanwhile, are holding off purchases in the hope that rates fall.

In a memo to Carvana's employees announcing the layoffs, Chief Executive Ernie Garcia III blamed an uncertain economic environment that he said was particularly tough on fast-growing companies that sell products affected by higher interest rates. "We failed to accurately predict how this would all play out and the impact it would have on our business," he said.

The company said it has millions of satisfied customers, and that disrupting the auto industry isn't easy. "We have seen many e-commerce companies written off early in their journey only to become market leaders. We plan to follow suit," a spokesman said.

Carvana became popular with heavy advertising and haggle-free cars delivered to customers' doors. Investors bought in, driving the shares up more than sixfold. The stock has fallen more than 97% from its peak last year. Carvana's bonds are trading at distressed levels.

"They built an infrastructure across the enterprise with the assumption that the growth would be there," said Daniel Imbro, a managing director at Stephens Inc.

The ratings firm S&P Global Ratings warned that Carvana's liquidity likely would erode faster than expected and changed the outlook on its CCC+ rating to negative this month. It said the company's standing to raise more cash from stock and bond investors has deteriorated.

Less than a year ago, Carvana was still trying to keep up with demand. In February, it agreed to buy a car-auction

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Paramount Won't Aid Appeal of Blocked Book Deal

By Jessica Toonkel and Jeffrey A. Trachtenberg

Paramount Global has decided not to support an appeal of a recent ruling that blocked the planned $2.18 billion sale of its Simon & Schuster book-publishing unit to rival Penguin Random House, according to people familiar with the situation.

Paramount is expected to announce a decision early this week, the people said.

Penguin Random House had said it wanted to pursue an expedited appeal, but it needed the support of Paramount Global.

Reuters earlier reported that Paramount was scrapping the deal.

U.S. District Judge Florence Pan ruled on Oct. 31 that the

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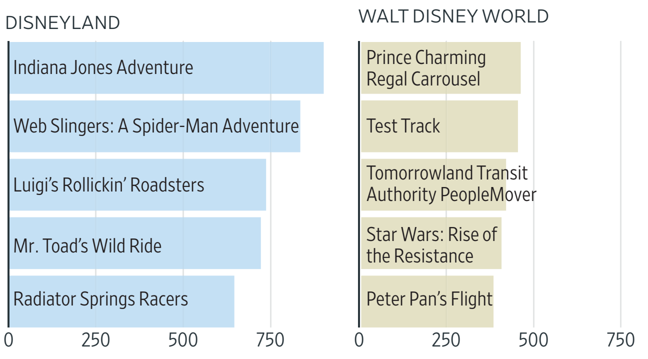
Stoppages Worsen at Disney Parks Rides

By Robbie Whelan and Jacob Passy

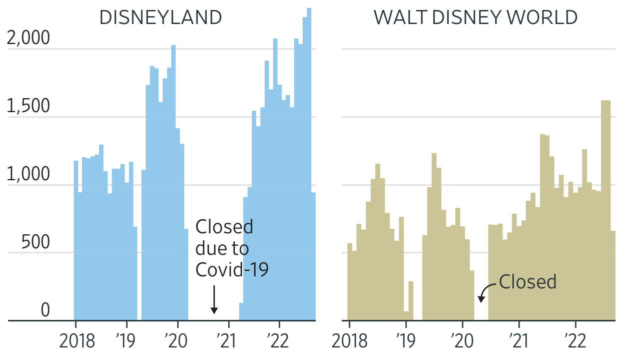
TED SHAFFREY/ASSOCIATED PRESS

In recent years, the average wait time for some of the most popular rides at Disney's theme parks has exceeded one hour.

Unplanned stoppages by ride in 2022, top five at each park*



Monthly unplanned stoppages*



*Data as of Sept. 18. Figures not available for some months in 2019 due to data collection issues.

Sources: WDW Stats (stoppages); Touring Plans

Amie Gasabyan was riding the Indiana Jones Adventure thrill ride at Disneyland with her 9-year-old daughter Ella on a recent weekday when it lurched to a halt in a pitch-black tunnel.

Ms. Gasabyan told her daughter to stay calm and that this happens all the time. The ride started up again after about seven minutes.

Unplanned ride stoppages and wait times at **Walt Disney** Co.'s theme parks are on the rise, according to a Wall Street Journal analysis of statistics from three amusement-park data providers. The problems are worsening as Disney raises prices broadly at Disneyland and Walt Disney World.

Average monthly ride stoppages rose 58% at Disneyland from 2018 to 2022 as of late September and rose 42% at Walt Disney World over the same period, according to WDW Stats, a website that tracks the status of rides at Disney parks and logs how long interruptions last. Total ride stoppages fell at the parks in 2020 in part because both Disneyland and Walt Disney World were closed for months due to the pandemic.

In Orlando, Fla., at Walt Disney World, the Star Wars: Rise of the Resistance ride is down an average of 118 minutes a day this year, according to data compiled by Thrill Data and Touring Plans, two

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Europe Looks to Shore Up Gas Supply

By Jenny Strasburg and Benoît Morenne

Though Europe has filled its reserves of natural gas for this winter, the clock is already ticking to secure energy for the coming years, which are expected to remain dogged by threats of severe shortages.

The European Union's gas storage is around 95% full, and many analysts say the continent might avoid an energy calamity this winter. But procuring gas for coming winters is widely anticipated to become more difficult for European countries now that they are mostly cut off from Russian supplies and global competi-

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Bankman-Fried Deputy Was Key Player at FTX

By Hannah Miao and Justin Baer

On a video call in early November, employees at Alameda Research dialed in to learn the fate of the trading firm, which was teetering on the brink.

It was up to Caroline Ellison to deliver the bad news. Alameda was at the center of Sam Bankman-Fried's collapsing FTX empire. Ms. Ellison, who had just turned 28 years old, was at the center of Alameda. And they were all in crisis.

Alameda and crypto exchange FTX were both the brainchild of Ms. Ellison's friend Mr. Bankman-Fried, and he had picked her to help lead Alameda the year before. For a time, they rode the crypto wave together, with FTX eventually notching a blockbuster valuation of $32 billion. This month, it all came crashing down in a matter of days.

Customers had grown fearful about the companies' financial health, yanking their money from FTX in a short, frenzied period. The firms scrambled to stay afloat, but they filed for bankruptcy shortly after Ms. Ellison's call with employees. Mr. Bankman-Fried resigned as FTX's chief executive.

Prosecutors, regulators and even FTX's new CEO are investigating what happened. Customers are losing hope they will ever see their money again. Lawsuits have followed, and many top employees have left.

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Exchange Creditors Due $3.1 Billion

By Caitlin McCabe

FTX owes its 50 largest creditors about $3.1 billion, the failed cryptocurrency exchange said in a bankruptcy court filing Saturday. The filing didn't name the creditors but listed them as customers. Two creditors are each owed more than $200 million.

FTX's lawyers have said in all there could be more than one million creditors across FTX's various entities.

Also Saturday, a statement from John J. Ray, the company's new chief executive officer, struck a slightly more optimistic tone about the possibility of recovering assets to repay those creditors. On Thursday, the veteran bankruptcy executive said he had never seen anything as bad as FTX in 40 years in the restructuring business.

"We are pleased to learn that many regulated or licensed subsidiaries of FTX, within and outside of the United States, have solvent balance sheets, responsible management and valuable franchises," said Mr. Ray, who was hired to oversee the company during its bankruptcy process, on Saturday.

FTX's new management hired an investment bank to help sell viable parts of its business and discovered there were more than 200 accounts containing positive cash balances. A separate filing in federal bankruptcy court identified 216 bank accounts with positive balances, offering the possibility that there was some value left in FTX's wreckage for creditors to recover. It verified account balances valued at about $564 million, according to the filing. Much of that money, however, is either held in outside enti-

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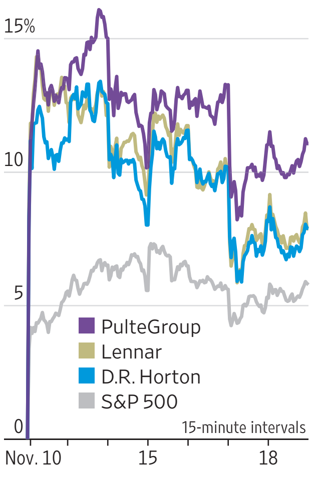
Housing Stocks Rally, Defying Soft Demand

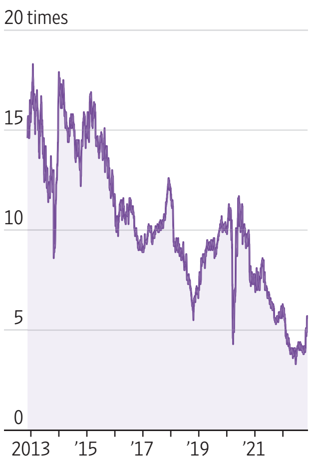
By Karen Langley and Ben Eisen

Share-price and index performance



Source: FactSet

PulteGroup price/earnings ratio, next 12 months



Investors are seizing on any sign inflation has peaked as a reason to snap up beaten-down shares. Just look at housing stocks.

Redfin Corp. shares have soared more than 50% since Nov. 9 when the real-estate brokerage's chief executive warned, "We have to assume that the sun will never come up." Shares of home builder **PulteGroup** Inc. have gained 11% over the same period, despite its CEO recently describing a widespread pullback in demand as interest rates climbed.

Shares of real-estate brokerages, home builders, mortgage lenders and practically anything that touches the housing industry have surged as well, outpacing the S&P 500's 5.8% rise.

Behind the rally? Softer-than-expected consumer-price data that gave investors hope the Federal Reserve will soon begin slowing the pace of its interest-rate increases.

Housing is perhaps the industry most affected by the central bank's efforts to cool the economy. Rate increases have propelled mortgage rates to more than double their levels from a year ago, which has sapped buyer demand and begun to push home prices down from their peaks earlier this year.

With home-price declines expected to accelerate next year, some investors worry the current rally resembles the summer run that abruptly ended when the central bank recommitted to its aggressive rate-hike campaign. The S&P 500 has fallen 17% in 2022.

"This is another bear market rally," said Stephanie Lang, chief investment officer at wealth-management firm Homrich Berg. "The reaction to the CPI print we think was extreme and really not warranted."

Also rocketing higher on the soft inflation report: Shares of Cathie Wood's ARK Innovation exchange-traded fund, which jumped 15% on Nov. 10 in their best day on record; shares of Peloton Interactive Inc., which advanced 16%; and shares of Zoom Video Communications Inc., which gained 14%. All three are still

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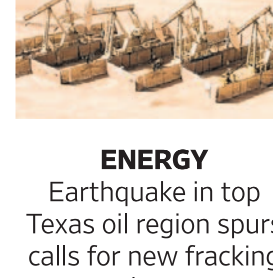

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BUSINESS & FINANCE

Biggest Railroad Unions Count Votes as Threat of Strike Looms

By Esther Fung

Two of the country's largest railroad unions will reveal Monday whether their members voted to accept a new wage deal brokered by the White House or reject it and move closer to a strike that could disrupt the flow of goods around the country.

The unions representing engineers and conductors—Smart Transportation Division and the Brotherhood of Locomotive Engineers and Trainmen—are the final two of the 12 unions reporting the ratification of votes in what has been a contentious and protracted labor dispute.

Workers of seven of the unions have ratified their agreements. The three unions whose members have rejected their tentative agreements are back at the negotiating table with the railroads for a revised deal. If they don't come to a new agreement, workers would be allowed to strike as early as Dec. 4.

Union Pacific Corp., **CSX** Corp. and other freight railroads move about 40% of U.S. long-distance cargo and serve the agricultural, energy and manufacturing sectors. Even a short strike could lead to diversions and cascade into delays and congestion, pushing back recovery in some supply chains. Trade groups representing grain and feed producers and chemical shippers have asked Congress to intervene to prevent a labor strike.

Railroad workers who voted against their agreement said wages weren't the reason for their decision. Their grievance is about working conditions. They say punitive attendance policies and insufficient staffing have left them overworked. Railroads, which furloughed thousands of staff during the pandemic, say they have struggled to hire enough workers when demand recovered and adopted attendance policies to manage absences.

"Neither side gets everything at once in a compromised product. There are certainly numerous things the railroads didn't get out of the deal," said Ian Jefferies, president of the Association of American Railroads, a trade group. He said the proposed wage increases were above what the railroads had offered, and changes in work rules that the railroads sought weren't included.

The tentative agreement offers railroad workers a 24% increase in wages over the five years, dating from 2020 through 2024.

The deal allows for one additional paid day off, on top of existing vacation and paid time off. Union leaders at BLET and Smart TD said they managed to get changes to attendance policies included in addition to the recommendations of a White House-appointed panel, though some members said these gains aren't enough.

Some workers said they are resentful that railroad executives don't adequately value the contributions of their labor. "They are so brazen to the fact that they don't care about the working people," said Lesly Wilterding, a signal maintainer based in Fort Scott, Kan. Mr. Wilterding voted earlier to reject the tentative agreement presented by his union, the Brotherhood of Railroad Signalmen. Members of the union overall voted against the deal.

The railroads say they have made changes to their attendance policies based on employee feedback. "Work remains to make our jobs attractive to today's employees—especially the unscheduled, 'on call' jobs," said Kristen South, a Union Pacific spokeswoman, adding that the company was testing a new work-rest schedule.

The U.S. economy would lose $2 billion each day railroad workers are on strike, the AAR estimated. The country's economic output averages around $63 billion each day.

Ride Stoppages Worsen

Continued from page B1

other services that help visitors plan trips to theme parks. That is up from 104 minutes a day on average in 2020, the year the ride opened.

The average wait time across all rides at Hollywood Studios, a theme park at Walt Disney World that is home to some of the resort's most popular rides, rose from 39 minutes in 2019 to 49 minutes in 2022, while the average wait time for the park's eight most popular attractions, including Rise of the Resistance and Tower of Terror, rose from 61 minutes to 71 minutes over the same period, according to statistics compiled by Thrill Data.

Disney disputed the notion that stoppages and wait times have risen.

A spokeswoman said the data used in the Journal's analysis is incomplete and don't match Disney's internal metrics.

"Our source data shows that Disney's ride reliability remains strong and is consistent with prior years," said the spokeswoman, who declined to share internal data.

Ideally, a visitor to a theme park would experience 1.5 attractions an hour, said Dennis Speigel, chief executive and founder of consulting firm International Theme Park Services, so "they're not stuck in a queue, waiting in the heat."

In recent years, the average wait time for some of the most popular rides at Disney's theme parks has exceeded one hour, according to Touring Plans data.

Disney's theme parks are taking on more strategic importance within the company. Over the past year, the company has streamlined its parks and experiences division, raised prices and added new technology features that cost visitors extra and have helped drive record revenue and profit, which have helped make up for billions in losses at Disney's streaming business.

On Tuesday, the company said it would raise the minimum price for one-day single-park admissions tickets at three of its four theme parks within Walt Disney World for the first time in more than three years.

Starting Dec. 8, it will cost between $124 and $189 to enter Magic Kingdom Park with a one-day ticket, depending on the day, up from $109 to $159.

Disruptions are more common on some of Disney's more intricate attractions, including Web Slingers: A Spider-Man Adventure and the Indiana Jones ride, data show. Star Wars: Rise of the Resistance at Disneyland has had 540 unplanned stoppages this year through mid-September, up from 490 for the whole of 2021, according to WDW Stats. Simpler rides such as Davy Crockett's Explorer Canoes and Autopia stop less frequently, WDW Stats data show. Disney says that its internal statistics don't indicate that more complex rides break down more often but declined to share that data.

Disney says most stoppages result from bad weather, maintenance needs and guest interactions with the attractions, such as dropped cellphones or guests who need assistance exiting a ride.

On a recent Friday, the posted wait time for Rise of the Resistance reached seven hours, though later in the day it dropped to 105 minutes, according to Disney park apps. Disney attributed this to a "sign glitch" that incorrectly showed visitors a wait time that was double what the app should have shown.

Struggles with downtime aren't unique to Disney. At Universal Orlando Resort, the Jurassic World VelociCoaster is down for more than 105 minutes a day on average, according to Thrill Data, a long wait by most theme park standards.

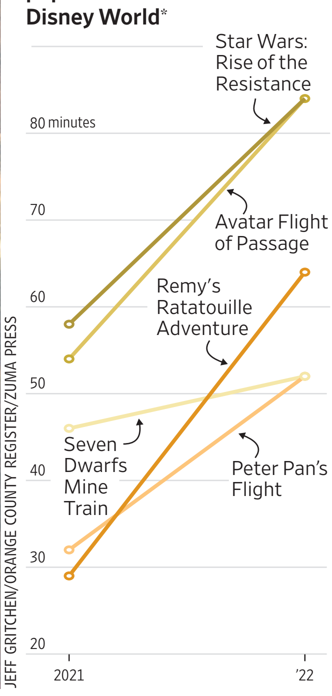
A Universal Parks & Resorts spokesman said that most of VelociCoaster's stoppages are the result of heavy rain or lightning.

Stoppages are particularly vexing for visitors who have paid extra to nab a good spot in line for their favorite rides. Last December, Melissa Massardo and her husband paid a premium to stay at a Disney-owned hotel to take advantage of a perk offered to hotel guests: 30 minutes of early entrance to the park.

The couple said they rushed to the front of the line for Rise of the Resistance, their favorite ride, but it was out of service. After nearly an hour, they ditched the line, but found that other rides already had lengthy waits.

JEFF GRITCHEN/ORANGE COUNTY REGISTER/ZUMA PRESS

Disruptions are more common at intricate site like the Indiana Jones Adventure ride at Disneyland.



*Data as of Oct. 12. Source: Touring Plans

HOW DATA ON RIDE STOPPAGES AND WAIT TIMES WERE TALLIED

The three data providers used in this WSJ analysis, WDW Stats, Thrill Data and Touring Plans, rely on data feeds from Disney's smartphone apps. Visitors to Disney theme parks use those apps to monitor how long they would have to wait at various times throughout the day to get on attractions at the parks. The app shows these wait times on an interactive map so that visitors can plan their days and avoid long lines.

WDW Stats uses an algorithm that scrapes data from the apps and records every time a ride changes status from "operating" to "interrupted," then logs the change and notes how long it remains interrupted. WDW Stats enters this data into a database that allows it to analyze trends at the theme parks.

Thrill Data has a similar approach, but records only stoppages that last 10 minutes or longer. Touring Plans uses data gleaned from the apps and tracks stoppages of seven minutes or longer but also has personnel inside Walt Disney World who provide in-person updates on ride status. Both Thrill Data and Touring Plans also scrape data from apps to track wait times for every ride at Disney's Florida resort, while Touring Plans looks at both the "posted" wait time that Disney provides to visitors and the "actual" wait time, based on data it collects from its own app, using a stopwatch feature that allows visitors to measure how long they stand in a queue.

Housing Stocks Rally

Continued from page B1

down more than 50% in 2022.

Such shares tend to be priced on expectations of growth far into the future, so they often soar or stagger in concert with moves in interest rates. For the housing industry, changes in rates don't just swing stock-valuation models. They are a key influence on the outlook for business because shifting mortgage rates push buyers into or out of the market.

"It makes sense that rates would move lower and that would result in at least some bright light for builders," said Carl Reichardt, home-building analyst at BTIG. "The question is the intensity of the light."

Investors this week will parse data on new home sales and consumer sentiment as they gauge the health of the economy. Money managers and analysts are watching for signs that the U.S. could enter a recession as the Fed continues to raise rates.

Economists and analysts say the housing-market downturn isn't likely to drag the economy into a deep recession the way it did during the financial crisis of 2008. Mortgage lenders have tightened underwriting standards and home builders haven't taken on as much debt.

TNS/ZUMA PRESS

PulteGroup shares have surged this month. A project in Florida.

Still, a gauge of sentiment among builders has fallen every month this year. It is now at its lowest level in a decade, except for a brief period at the beginning of the pandemic. "Builders are going to be less busy going forward," said Robert Dietz, chief economist at the National Association of Home Builders.

Existing home sales fell for a ninth straight month in October. Mortgage originations in 2022 are pacing for about half of last year's levels, and they are expected to drop further in 2023, according to Mortgage Bankers Association forecasts.

The downbeat outlook had made housing stocks some of this year's worst performers. Redfin, for example, is still down 87% this year. But after a bruising stretch, investors are hungry for any bit of good news.

Redfin said Nov. 9 that it was cutting 13% of its staff and shutting its home-flipping business to position itself to make money even if the housing market doesn't recover for a while. The next morning, the Labor Department said that consumer-price inflation eased in October to the slowest pace since January. Redfin's stock rose 32% on Nov. 10 and 21% the following day.

32%
Jump in Redfin stock Nov. 10, day of consumer price report

Last week, the average rate on a 30-year fixed mortgage fell to 6.61% from 7.08%, the biggest drop in 41 years.

Still, Redfin's chief economist, Daryl Fairweather, said she doesn't believe the housing market will rebound until at least 2024, which means volatility in housing stocks may persist.

"The CPI report is just a glimmer of hope that what the Fed is doing is working, but it doesn't give us a whole lot of information about how long these high mortgage rates persist," Ms. Fairweather said.

PulteGroup CEO Ryan Marshall said on an Oct. 25 earnings call that home-buyer demand clearly fell during the third quarter. He said the dramatic rise in interest rates has likely been the biggest concern for most consumers but that inflation and fear of recession are also at play.

"It is easy to understand why consumers have moved to the sidelines," he said.

Some traders looking at housing stocks have seen a deal despite the worries about business in the coming months. Shares of builders **D.R. Horton** Inc., **Lennar** Corp. and PulteGroup traded in June at their lowest multiples of future earnings of the past decade, according to FactSet.

Even after their rallies, the stocks look cheaper than their long-term norms. PulteGroup, for example, traded last week at 5.6 times its projected earnings over the next 12 months, below a 10-year average of 10.3.

Bill Smead, chief investment officer at Smead Capital Management, said he has added in recent months to positions in D.R. Horton and Lennar. Mr. Smead expects shares of home builders to perform strongly over the long run as the millennial generation settles down and buys homes.

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Downsized Twitter Tested by World Cup

With far fewer staff, platform must manage surge in usage during much-watched event

By Alexa Corse

Elon Musk's effort to run **Twitter** Inc. with a heavily downscaled staff will face one of its biggest tests so far with the kickoff of soccer's World Cup.

For Mr. Musk, who has been trying to build excitement around Twitter since buying the platform for $44 billion late last month, the World Cup also is an opportunity to show off his platform at a grand scale. The quadrennial soccer extravaganza with its global audience began Sunday in Qatar.

"First World Cup match on Sunday! Watch on Twitter for best coverage & real-time commentary," Mr. Musk tweeted on Friday.

Mr. Musk garnered attention for Twitter late Saturday by reinstating former President Donald Trump's account, which had been suspended since January 2021 in the wake of the Capitol riot. Mr. Musk later Saturday tweeted that the company's servers were experiencing high demand, adding, "Good stress test before World Cup tomorrow!"

Some Twitter employees who recently left the company amid waves of departures since Mr. Musk's takeover said the deep staff cuts will challenge the ability of those remaining to maintain the platform. While engineers said there is a risk of the site going down due to heavy usage, some said they were more concerned about smaller problems accumulating over time, with fewer staff left to respond.

A former employee pointed to the speed of the mass layoffs, which began one week after Mr. Musk took over, saying that wasn't enough time to create workarounds.

Mr. Musk has indicated he is unconcerned by personnel drain. "The best people are staying, so I'm not super worried," Mr. Musk has tweeted.

He told staff who remained to expect long hours and intense work. Less than 24 hours after Twitter told staff it was closing its offices until Monday amid mass resignations, Mr. Musk changed course and called his remaining employees back to work for Friday morning, saying in a series of emails to staff that "anyone who actually writes software" should report to San Francisco headquarters at 2 p.m. local time, adding that only those who can't physically get there or have a family emergency were excused.

The World Cup comes with a history of delivering an advertising sales bump to Twitter, but also the memory of technical difficulties due to surges in traffic. Four years ago, Twitter said its second-quarter sales enjoyed a 5% boost from the World Cup, even though only two weeks of the monthlong event occurred during that quarter.

Many advertisers have said they have paused campaigns on Twitter amid concern over how the platforms may evolve under Mr. Musk and a wave of departures of ad executives at the company.

RAUL ARBOLEDA/AGENCE FRANCE-PRESSE/GETTY IMAGES

The tournament comes with a history of ad sales bumps for Twitter. Opening ceremonies in Qatar.

The 2010 World Cup turned into a lesson for Twitter, illustrating how it wasn't prepared for surges in user engagement. "The influx of tweets—from every shot on goal, penalty kick and yellow or red card—repeatedly took its toll and made Twitter unavailable for short periods of time," the company said in the aftermath, adding that those outages spurred a redesign of the platform's infrastructure.

A month ago, Twitter said soccer was its most popular sport last year, with tweeting outpacing that around basketball, American football and baseball combined. "Tweet volumes have stayed massive in 2022 with tweets about the 2022 FIFA World Cup (#FIFAWorldCup) playing a big role," Twitter said in a news release before its press team was effectively disbanded as part of the mass layoffs.

Soccer has tested the ability of Twitter and other social networks to deal with abusive speech on their platforms. Last year, after England's defeat by Italy in the European Championship, Twitter said it removed 1,000 posts directed at three Black England players subject to online racial abuse in the wake of the loss.

Ella Irwin, a Twitter trust and safety executive, tweeted Thursday that employees have been working for weeks to prepare for the World Cup. "Ensuring a healthy platform continues to be our priority," Ms. Irwin said.

Mr. Musk has called himself a free-speech absolutist, but has also said that freedom of speech doesn't guarantee freedom of reach.

ELIZABETH WILLIAMS/ASSOCIATED PRESS

Elon Musk testifying at the Delaware trial on Wednesday.

Pay Trial Shines Light On Tesla's View of Musk as Irreplaceable

By Rebecca Elliott And Meghan Bobrowsky

WILMINGTON, Del.—The scale of concern among **Tesla** Inc. board members about how to keep Elon Musk's attention trained on the electric-vehicle maker loomed large during a weeklong trial over the chief executive's pay package.

A desire to motivate Mr. Musk to focus on Tesla triggered a monthslong pay negotiation that culminated in the shareholders' approval of a 2018 CEO equity grant valued at roughly $48 billion at recent stock prices.

That deal—and the process under which it was put together—have been the subject of the trial in Delaware's business-law court, where testimony has underscored that current and former Tesla board members have long viewed Mr. Musk as irreplaceable.

Mr. Musk, for his part, recently identified someone as a possible successor to him as CEO, the board member James Murdoch testified, signaling that the serial entrepreneur might be thinking about Tesla's next chapter. Mr. Musk said last year that Tesla didn't have a succession plan.

> **There were concerns about the CEO's other interests, such as running SpaceX.**

Board members' focus around 2017 on ensuring that Mr. Musk would remain engaged in Tesla stemmed from his many other interests, including running the rocket company SpaceX.

The drag on Mr. Musk's time at the car maker has only become more pronounced with his $44 billion acquisition late last month of Twitter Inc. Mr. Musk, at the trial, said he has recently been spending much of his time running the social-media company, though he doesn't expect that to be the case in the long term.

"I expect to reduce my time at Twitter and find somebody else to run Twitter over time," he said in the Court of Chancery.

Mr. Musk's ownership of Twitter has been defined by near-constant workforce upheaval, with a new wave of departures on Thursday after many employees rejected Mr. Musk's demand that they commit to working "long hours at high intensity."

Neither Tesla nor Twitter responded to a request for comment.

The plaintiff in the case, Richard Tornetta, a Tesla shareholder, sued current and former company board members in seeking to nullify Mr. Musk's 2018 pay package. Mr. Tornetta alleges that the CEO controlled the board's consideration of his grant, that the board failed to disclose crucial information to shareholders and that the package failed to motivate Mr. Musk to focus on Tesla.

Mr. Musk echoed current and former Tesla officials in saying that he didn't dictate the terms of his pay plan. "I was entirely focused on the execution of the company," he testified.

Mr. Musk said he has divided his time between his endeavors, with Tesla and Space Exploration Technologies Corp., as SpaceX is formally known, taking up most of his time when the car maker's board was considering the grant.

"CEO is often viewed as somewhat of a business-focused role, but in reality my role is much more that of an engineer developing technology," Mr. Musk said.

The pay deal requires Mr. Musk to remain either CEO or chief product officer and executive chairman for the tranches to vest, but doesn't stipulate that he must dedicate a specific amount of time to the car maker. During the trial, he and other Tesla board members rejected any suggestion that the pay deal should have done so. In September 2018, Mr. Musk agreed to step down from his role as Tesla's chairman in a settlement with the Securities and Exchange Commission.

"I'm not concerned about the amount of time that he spends," Robyn Denholm, who is chair of Tesla's board, testified remotely. "He will do whatever he needs to do to achieve the results."

Tesla's board from time to time discussed finding someone else to run the company, former board member Antonio Gracias testified, adding, "We couldn't find anyone."

TikTok Is Boosting Head Count

Social-media company says it plans to add 3,000 engineers worldwide

By Raffaele Huang And Stu Woo

Several of the world's biggest tech companies are laying off employees. One company bucking the trend so far is TikTok.

Amid a retrenchment in Silicon Valley, the Chinese-owned social-media company is in the middle of a three-year hiring push, having committed to add about 3,000 engineers in worldwide locations including the U.S.

TikTok also is hiring at its major hub in Singapore, according to people familiar with its plans.

TikTok's owner, Beijing-based **ByteDance** Ltd., is also recruiting people in China to work on its TikTok platform. TikTok isn't available in China, but ByteDance offers a Chinese alternative called Douyin.

TikTok Chief Executive Shou Zi Chew said this week that amid big downsizing at some of his competitors, TikTok was still hiring, though at a measured pace.

BRYAN VAN DER BEEK/BLOOMBERG NEWS

Shou Zi Chew, chief executive officer of TikTok

"We have always been more cautious in terms of recruitment," Mr. Chew said at a Bloomberg-sponsored economic forum in Singapore. "We're still hiring, although at the pace that we think has to correspond with the global challenges that we're facing."

While closely held ByteDance is based in Beijing, TikTok has no official headquarters. It has major offices in Los Angeles, New York, Dublin, London and Singapore, where Mr. Chew is based.

ByteDance employs about 130,000 workers worldwide. TikTok employs more than 20,000, with about a quarter of that number in the U.S.

TikTok plans to increase the size of its biggest American engineering hub, in Mountain View, Calif., which already has more than 1,000 engineers, according to people familiar with the hiring.

In some cases, TikTok recruiters have approached people recently laid off from rivals including Meta Platforms Inc. and Twitter Inc. The hiring plans and outreach was reported earlier by the Information.

TikTok hasn't been immune to the economic headwinds buffeting its rivals. It lowered its target for this year's advertising revenue to $10 billion from at least $12 billion, Mr. Chew told staff in a recent online meeting.

The company now aims to hire at a milder pace compared with previous years, people familiar with the plans said. As with any company, TikTok's plans could change again depending on economic conditions and business performance.

TikTok, which is roughly only five years old, is on a different growth trajectory than many of the older American tech giants that are now shedding thousands of jobs. By some measures,

TikTok has surpassed Facebook and Meta-owned Instagram in popularity, especially among American teens. But TikTok still brings in a fraction of the revenue of Meta, which had $118 billion in sales in 2021.

Some more established Silicon Valley rivals have embarked on the biggest job cuts the industry has endured in years. Facebook-owner Meta is laying off about 11,000 employees, while Amazon.com Inc. could cut up to 10,000. Twitter, Lyft Inc. and other companies have also announced layoffs. Those cuts don't preclude other hiring for key roles at TikTok rivals.

In 2020, TikTok said it would hire 10,000 U.S. workers, a move that came as it faced growing scrutiny in Washington over its Chinese roots and its access to information about the millions of Americans that use the app.

For now, the company is still recruiting engineers both to improve features that users see on the app, and to improve the algorithm and other behind-the-scenes infrastructure that make TikTok work, according to people familiar with its hiring plans.

The company also plans to add employees to its commercialization team, which figures out how to make money from the app, and its nascent e-commerce team, some of these people said.

TikTok also plans to add contractors who would monitor the app for inappropriate videos.

Yang Jie contributed to this article.

Paramount Won't Aid Appeal

Continued from page B1
planned merger would unlawfully lessen competition. In a suit filed in November 2021, the Justice Department focused on author wages, arguing that if Penguin Random House were allowed to acquire Simon & Schuster, writers of anticipated bestsellers would likely receive smaller advances.

Under the terms of their 2020 deal, Penguin Random House parent **Bertelsmann** SE agreed it would pay Paramount a termination fee of $200 million if the acquisition was "completely prohibited or if the termination date is reached," according to the Bertelsmann 2021 annual report. The termination date is Nov. 21, The Wall Street Journal previously reported.

Bertelsmann had talks with Paramount about offering inducements, including cash, that would lead Paramount to support an appeal and continue pursuing the transaction, the Journal reported. (

Representatives for Paramount Global and Penguin Random House declined to comment.

Carvana Faces Cash Crunch

Continued from page B1
business that would help boost inventory. Car sales slowed, though.

The day the deal was completed in May, Mr. Garcia said it had overshot on growth and laid off 2,500 workers. Days earlier, it had issued a $3.275 billion bond with a 10.25% coupon to fund the purchase.

The high coupon almost doubled Carvana's annual interest expense and reflected investors' fears of a recession and rising inflation.

Carvana thrived when interest rates were low because it could borrow cheaply to buy cars and make loans to customers. Its credit line from **Ally Financial** Inc. to buy cars had an average 2.6% interest rate last year, compared with 4.5% at the end of September. Ally required Carvana to set aside 12.5% of the amount borrowed as of late September, up from 7.5%, further tightening its cash situation. An Ally spokesman declined to comment.

Carvana earned big profit selling its car loans to investors who were hungry for yield. Gains from the loans help Carvana offset the losses it makes selling cars. When investors turned choosier on these securities in the spring, Carvana sold many of the loans to Ally instead, on less-favorable terms. The gains it books from loan sales fell around one-third in the third quarter from a year earlier.

Mr. Garcia told analysts on a call Nov. 3 that the company would keep cutting costs and that it has around $4 billion in liquidity. The amount includes what it can borrow on credit lines to buy cars and make loans. It also included around $2 billion of real estate, which isn't typically considered a liquid asset.

The company's chief financial officer said Carvana could borrow against the real estate, which includes sites it bought this year. It previously raised around $500 million from selling some sites where it inspects cars and then leasing them back for 20 or 25 years.

That step might work, analysts said, but would also add expenses. They said any real-estate deals would likely occur piecemeal over time or involve high rent payments because of Carvana's credit troubles.

Scott Merkle, a managing partner at **SLB Capital Advisors**, which specializes in sale-leaseback transactions, said the long-term leases generally rely on financially sound tenants that can be expected to make their lease payments for years. He said that overall conditions for sellers have softened in that market because of higher interest rates, but that sale-leasebacks still provide a better cost of capital for companies than other financing.

Some Carvana-leased properties have received a tepid response on the market. A 12-story "flagship" car-vending machine in Atlanta that Carvana sold and leased back in December was relisted this summer. It is still on the market, and the asking price has since been lowered.

Carvana said it is testing ways to make more from its car sales, such as taking payment before delivery and having customers pick up cars from its vending machines.

"We've got a bunch of committed liquidity. We've got a bunch of real estate, and I think that we feel like that puts us in a good position to ride out this storm," Mr. Garcia told analysts on the Nov. 3 call.

—Ben Foldy, Will Feuer and Ben Eisen contributed to this article.

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Quake Spurs Calls for New Fracking Rules

By Benoît Morenne And Collin Eaton

A powerful earthquake in West Texas is drawing fresh scrutiny to frackers' water-management operations in the nation's hottest petroleum-producing region.

A 5.4-magnitude earthquake, the fourth largest in Texas history, struck an oil-and-gas production hot spot in Reeves County on Wednesday, sending tremors felt as far as Dallas, El Paso and San Antonio, where it damaged a historic building. No injuries were reported.

The temblor adds pressure to the state's oil-and-gas regulators to impose stricter rules on frackers pumping wastewater underground to stymie the Permian basin's dangerous new seismic activity, analysts and executives said. It could also prompt a review of management practices and affect oil operations, they said.

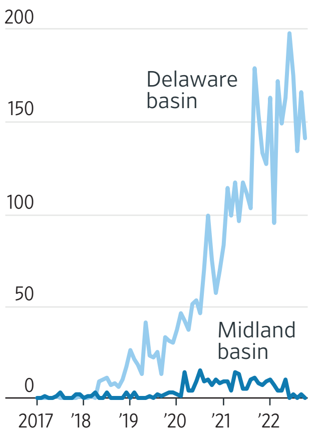
The quake was one of thousands to shake the oil-rich Permian basin of West Texas and New Mexico in recent years. Scientists have linked the increase in seismic activity to shale companies pumping billions of gallons of wastewater—a byproduct of oil-and-gas production—down shallow and deep disposal wells. Injections modify the pressure underground and can cause faults to slip and create earthquakes.

The temblor was unlikely to have an immediate impact on oil-and-gas production in the area, according to analysts. But some executives said it should be a wake-up call for regulators and companies to figure out how to deal with the vast volumes of water that surface daily in the oil patch.

A spokesman for the Railroad Commission of Texas, which regulates the oil-and-gas industry in the state, said Thursday that the agency was examining how much water operators disposed of in the affected area, and that it would take any necessary actions.

There have been 14 earthquakes larger than magnitude 4 in the Delaware basin, a section of the Permian, so far this year, compared with 11 in 2021 and three in 2020, according to water-analytics company B3 Insight, which analyzed state and national seismic activity data. As of mid-November, the number of earthquakes larger than magnitude 2 had more than doubled between 2020 and 2022 to reach 1,756, B3 data shows.

The number of earthquakes of 2.0-magnitude or higher



Source: B3 Insight

The temblors have generally caused little damage because they largely occur in uninhabited land. The impact of the recent quake, however, reverberated in Carlsbad, N.M.

In 2021, the Railroad Commission created the Northern Culberson-Reeves Seismic Response Area to address seismicity in the region, which led to operators agreeing to restrictions on wastewater disposal as part of a response plan published in March. If an earthquake of at least 4.5 magnitude strikes that region next year—when some of the rules go into effect—it will trigger a regulatory response prompting companies to curtail usage of shallow water wells by 50% within about 4.5 kilometers, or 2.8 miles, of the seismic event for 18 months.

But with only a small number of active disposal wells within 4.5 kilometers of the earthquake, that response would do little to help, said Rob Bruant, a hydrologist and product director at B3 Insight. "These seem like half-measures at this point," Dr. Bruant said.

Amanda Brock, chief executive of Aris Water Solutions Inc., said that the industry has been working on the issue of seismicity with regulators and was on a path to improving its water-management practices. "I don't think this is a tipping point," she said of this week's earthquake.

Stringent rules on water disposal in other U.S. regions have had a measurable impact on seismic activity. Regulators in Oklahoma began implementing rule changes following several 5.0-magnitude earthquakes in 2016, which helped ease the number and strength of temblors in the state, data showed.

KRISZTIAN BOCSI/BLOOMBERG NEWS

Natural-gas storage in Germany, which is competing for tight supply.

Europe Eyes Future Gas Supply

Continued from page B1

tion is growing for finite cargoes of liquefied natural gas.

There is little additional LNG coming to the market until around 2026, when planned projects in the U.S. and Qatar come online, and Europe likely will compete for tight supplies over the next few years.

Some companies in Germany, Europe's manufacturing engine, are worried about having enough energy for the latter part of the decade. German companies including chemical producer **BASF** SE and bailed-out utility **Uniper** SE have held talks in recent weeks with America's LNG exporters and others about potential gas-supply deals likely beginning after mid-decade, according to people familiar with the discussions.

After Russia's invasion of Ukraine, some European companies signed contracts for U.S. LNG. Now businesses that rely on gas are saying the continent will need more of it for years to come.

The negotiations are indicative of elevated energy-security concerns, the people said, but are complicated because while many in Europe seek gas for five to 10 years, some company and government officials are reluctant to sign longer-term supply contracts. Germany and other European nations have set ambitious targets to reduce fossil-fuel consumption dramatically, and companies are worried they could be on the hook for gas they no longer need.

BASF and Uniper are looking for ways to source more natural gas, including through LNG, spokespersons for the companies said.

German government officials are monitoring the discussions about gas supplies, including separate talks with the Norwegian oil-and-gas company **Equinor** ASA, at times suggesting companies that exporters should contact, some of the people familiar with the discussions said.

A spokeswoman for Germany's Economy and Climate Ministry said gas purchases are the responsibility of companies.

Equinor Chief Executive Anders Opedal said in a recent interview: "We are working closely with German industry to find common ground for potential future investments," in oil and gas as well as low-carbon energy.

EU officials have proposed forming a collective of European companies to coordinate gas-deal talks and jointly purchase fuel, thus avoiding bidding against each other for the same gas. In October, German Finance Minister Christian Lindner expressed support for the idea. But some company executives and government officials doubt such a program would work because of gas-market complexities and differing needs among countries, and some companies are going it alone in negotiations.

"We are not totally convinced about the benefits and advantages that can be achieved by bundling the gas procurement on a European level," said a spokeswoman for **RWE** AG, a German utility that signed a nonbinding 15-year-deal with the U.S. LNG exporter **Sempra Infrastructure** in May. She said RWE is urging government officials to support long-term gas contracts.

German companies aren't alone in seeking to secure gas. Countries including France and the U.K. face threats of power shortages, and U.S. LNG executives have been calling on European governments looking for deals. A subsidiary of the British chemical company **Ineos Group** AG signed a nonbinding supply agreement with Sempra earlier this year, as did the Polish energy company Polskie Gornictwo Naftowe i Gazownictwo SA.

A spokesman for the U.K. government said it is working with domestic and international suppliers to explore contracts that could increase the security of energy supply.

There is little new liquefied natural gas coming to market until about 2026.

Political opposition remains in some corners to long-term gas deals that some say could derail climate goals aimed at lowering greenhouse-gas emissions. "It's difficult to see how they're compatible with decarbonization plans," said Jill Duggan, executive director for Europe at the nonprofit Environmental Defense Fund.

German officials previously said they expect the country's natural-gas demand to peak around 2030, then give way to more renewable energy.

The tension between Europe's immediate energy needs and long-term climate aspirations are creating a complicated market for European buyers as well as U.S. sellers. Developers of LNG projects need to sign long-term contracts with customers to finance plants that convert gas into liquid for export.

Some Europeans are looking for ways to satisfy exporters while maintaining climate objectives. One option being considered is to sign long-term deals and resell a portion of the gas in foreign markets in later years, which most U.S. LNG contracts allow, according to company executives, bankers and others briefed on the talks.

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Public Offerings of Stock

IPOs in the U.S. Market

None expected this week

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date	Issuer	Symbol	Offer price($)	Offer amt ($ mil.)	Through Friday (%)	Lockup provision
Nov. 23	Nov. 23, '21	Aeroclean Technologies	**AERC**	10.00	n.a.	**–62.9**	365 days

Sources: Dealogic; Dow Jones Market Data

IPO Scorecard

Performance of IPOs, most-recent listed first

Company SYMBOL IPO date/Offer price	Friday's close ($)	% Chg From Offer price	% Chg From 1st-day close
Acrivon Thera **ACRV** Nov. 15/$12.50	15.78	**26.2**	–5.2
Atour Lifestyle Hldgs **ATAT** Nov. 11/$11.00	13.13	**19.4**	1.9
ASP Isotopes **ASPI** Nov. 10/$4.00	2.53	**–36.8**	–5.2
Plutonian Acquisition **PLTNU** Nov. 10/$10.00	10.08	**0.8**	0.5
Snail **SNAL** Nov. 10/$5.00	3.04	**–39.2**	35.1
Mobileye Global **MBLY** Oct. 26/$21.00	28.42	**35.3**	–1.9
Prime Medicine **PRME** Oct. 20/$17.00	19.40	**14.1**	26.2
Hudson Acquisition I **HUDAU** Oct. 14/$10.00	10.15	**1.5**	1.4
TenX Keance Acquisition **TENKU** Oct. 14/$10.00	10.13	**1.3**	1.0
Spring Valley Acquisition II **SVIIU** Oct. 13/$10.00	10.34	**3.4**	2.4
Aquaron Acquisition **AQUNU** Oct. 4/$10.00	10.19	**1.9**	1.7
dMY Squared Technology **DMYY.U** Sept. 30/$10.00	10.05	**0.5**	0.5
Laser Photonics **LASE** Sept. 30/$5.00	2.42	**–51.6**	–6.2
Qomolangma Acquisition **QOMOU** Sept. 30/$10.00	10.07	**0.7**	0.8
Global Star Acquisition **GLSTU** Sept. 20/$10.00	10.30	**3.0**	3.3
Nexalin Technology **NXL** Sept. 16/$4.15	1.80	**–56.6**	–20.0
Corebridge Financial **CRBG** Sept. 15/$21.00	21.93	**4.4**	5.8
Third Harmonic Bio **THRD** Sept. 15/$17.00	19.78	**16.4**	0.5
Wearable Devices **WLDS** Sept. 13/$4.25	0.66	**–84.6**	–77.0
EF Hutton Acquisition I **EFHTU** Sept. 9/$10.00	10.06	**0.6**	1.1

Sources: Dow Jones Market Data; FactSet

Public and Private Borrowing

Treasurys

Monday, November 21

Auction of 13 and 26 week bills;
announced on November 17; settles on November 25

Auction of 2 and 5 year notes;
announced on November 17; settles on November 30

Tuesday, November 22

Auction of 7 year note;
announced on November 17; settles on November 30

Wednesday, November 23

Auction of 4 and 8 week bills;
announced on November 22; settles on November 29

Auction of 17 week bill;
announced on November 22; settles on November 29

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Fri in US$	Fri per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0061	163.1474	58.9
Brazil real	.1858	5.3834	–3.4
Canada dollar	.7472	1.3384	5.9
Chile peso	.001062	941.80	10.5
Colombia peso	.000200	4988.83	22.7
Ecuador US dollar	1	1	unch
Mexico peso	.0514	19.4520	–5.1
Uruguay peso	.02492	40.1350	–10.2
Asia-Pacific			
Australian dollar	.6671	1.4990	8.9
China yuan	.1405	7.1198	12.0
Hong Kong dollar	.1278	7.8218	0.3
India rupee	.01227	81.520	9.4
Indonesia rupiah	.0000637	15688	10.1
Japan yen	.007123	140.39	22.0
Kazakhstan tenge	.002166	461.59	6.1
Macau pataca	.1240	8.0620	0.3
Malaysia ringgit	.2196	4.5538	9.3
New Zealand dollar	.6151	1.6258	11.2
Pakistan rupee	.00450	222.450	26.2
Philippines peso	.0175	57.207	12.2
Singapore dollar	.7271	1.3753	2.0
South Korea won	.0007463	1340.03	12.7
Sri Lanka rupee	.0027211	367.50	81.1
Taiwan dollar	.03213	31.126	12.3
Thailand baht	.02788	35.870	7.9
Vietnam dong	.00004031	24808	8.5
Europe			
Czech Rep. koruna	.04240	23.584	7.8
Denmark krone	.1388	7.2044	10.1
Euro area euro	1.0326	.9685	10.1
Hungary forint	.002540	393.74	21.3
Iceland krona	.006933	144.23	11.1
Norway krone	.0981	10.1930	15.7
Poland zloty	.2197	4.5517	13.0
Russia ruble	.01643	60.850	–18.6
Sweden krona	.0940	10.6391	17.5
Switzerland franc	1.0472	.9549	4.7
Turkey lira	.0537	18.6214	39.8
Ukraine hryvnia	.0271	36.9500	35.1
UK pound	1.1888	.8412	13.8
Middle East/Africa			
Bahrain dinar	2.6532	.3769	–0.01
Egypt pound	.0408	24.5160	56.0
Israel shekel	.2882	3.4703	11.6
Kuwait dinar	3.2491	.3078	1.7
Oman sul rial	2.5970	.3851	0.01
Qatar rial	.2747	3.640	–0.1
Saudi Arabia riyal	.2661	3.7586	0.1
South Africa rand	.0580	17.2522	8.2

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	99.70	0.13	0.13	11.33

Sources: Tullett Prebon, Dow Jones Market Data

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NOTICE OF SALE

NOTICE OF SALE
SUPREME COURT OF THE STATE OF NEW YORK: COUNTY OF NEW YORK
Index No. 654177/2015

KENNETH ROSENBLUM, Plaintiff v. CRAIG TREITLER and STEVEN ROSENBLUM, Preliminary Executors for the Estate of BERNICE ROSENBLUM, Defendants.

Pursuant to the Interlocutory Order and Judgment of the Hon. Melissa A. Crane, J.S.C. entered on July 8, 2022 in the Supreme Court, State of New York, County of New York, the undersigned Referee will sell at public auction on December 6 and December 7, 2022, in the lobby/rotunda of the New York County Supreme Courthouse, 60 Centre Street, New York, New York or such other place in said Courthouse as may be posted on the date of sale, six parcels as follows:

Parcel 1: 117 Waverly Place: In the Borough of Manhattan, City, County, and State of New York, Block 553, Lot 38. Time of Sale: 9:30 a.m., December 6, 2022.
Parcel 2: 99 Perry Street: In the Borough of Manhattan, City, County, and State of New York, Block 622, Lot 27. Time of Sale: 12:30 p.m., December 6, 2022.
Parcel 3: 42-44 Bank Street: In the Borough of Manhattan, City, County, and State of New York, Block 614, Lot 10. Time of Sale: 2:30 p.m., December 6, 2022.
Parcel 4: 71 Thompson Street: In the Borough of Manhattan, City, County, and State of New York, Block 489, Lot 31. Time of Sale: 9:30 a.m., December 7, 2022.
Parcel 5: 25 Thompson Street: In the Borough of Manhattan, City, County, and State of New York, Block 476, Lot 42. Time of Sale: 12:30 p.m., December 7, 2022.
Parcel 6: 98-100 Thompson Street: In the Borough of Manhattan, City, County, and State of New York, Block 502, Lot 6. Time of Sale: 2:30 p.m., December 7, 2022.

Each of the six Parcels will be sold subject to the provisions of the filed Interlocutory Order and Judgment (Docket #582) and the Terms of Sale (Docket #591) incorporated therein as Schedule A, New York County Supreme Court, Index No. 654177/2015. The Interlocutory Order and Judgment and Terms of Sale set forth the terms that will apply to the sale of each property, including the following: "The Property is sold 'AS IS' as of the date of the sale, without any representations either express or implied."

As a precondition to bidding at the auction, prospective bidders must deliver to the Auctioneer, prior to the auction, a Qualifying Deposit of $75,000 in the form of an unconditional bank or certified check, wire transfer, or irrevocable letter of credit payable to the Referee; at the conclusion of the auction, the Qualifying Deposit will be returned to all unsuccessful bidders. Bidders may wire the Qualifying Deposit to the Referee's trust Account. Account information may be obtained by contacting the Auctioneer, Matthew D. Mannion, of Mannion Auctions, LLC, at 212.267.6698 or mdmannion@ipandr.com. The sale price for each parcel shall be payable ten percent (10%) (inclusive of the Qualifying Deposit) at the time of the auction and the balance at Closing of title, which shall be scheduled to occur by the later of 10 days after the entry of the Court's order confirming the sale or the 90th day from the date of the auction.

The parties to the above referenced action reserve the right to bid, and if they elect to do so, need only pay for the portion of the property that said party does not already own. The real property transfer tax shall be payable by the Referee from the proceeds of the sale. The purchaser shall pay the charge for stamps upon the deed, any charge or tax for recording the said deed, and the reasonable charge of the Referee for drawing the deed. Interested bidders should review the Interlocutory Order and Judgment and Terms of Sale for a complete statement of the terms and conditions governing the sale. For information contact Jonathan Hageman @ (518) 469-2521.

Dated: November 3, 2022
HON. ANTHONY J. CARPINELLO (Ret.)

NOTICE OF SALE

NOTICE OF PUBLIC SALE OF COLLATERAL

PLEASE TAKE NOTICE, that in accordance with applicable provisions of the Uniform Commercial Code as enacted in New York, Notice is hereby given that DW Marcy, LLC ("Secured Party") will sell all of the limited liability company interests held by 415 Marcy Avenue LLC ("Debtor") in 425 Marcy Avenue LLC ("Pledged Entity") to the highest qualified bidder at a public sale in accordance with the provisions of the Uniform Commercial Code as in effect in the State of New York. The sale will take place beginning at 10:00a.m. on Friday, January 6, 2023, in satisfaction of an indebtedness in the approximate amount of $31,529,488.74, via the Cisco WebEx Platform or web-based video conferencing and/or telephonic conferencing program selected by Secured Party. Online bidding will be made available via Cisco WebEx Remote Meeting, Meeting link: https://bit.ly/415Marcy; Access Code: 2555 904 2720, Password: Bi7Uq (24787 from phones and video systems). Join by video system: Dial 25559042720@webex.com. You can also dial 173.243.2.68 and enter your meeting number. Join by phone: +1-650-479-3208 United States Toll. Secured Party's understanding is that the principal asset of Pledged Entity is the parcels of real property located at 415-425 Marcy Avenue, Brooklyn, New York and also known as 427 Marcy Avenue, Brooklyn, New York. The Collateral will be sold to the highest qualified bidder; provided, however, that Secured Party reserves the right to cancel the sale in its entirety, or to adjourn the sale to a future date. The sale will be conducted by Mannion Auctions, LLC, by Matthew D. Mannion, Auctioneer, NYC DCA License No. 1434494, with offices at 305 Broadway, Suite 200, New York, New York. The Collateral will be sold as a block, and will not be divided or sold in any lesser amounts. Interested parties who intend to bid on the above Collateral must contact Brock Cannon of NEWMARK at (212) 372-2066, brock.cannon@nmrk.com, to receive the Terms of Public Sale and bidding instructions. Upon execution of a standard non-disclosure agreement, additional documentation and information will be available. Interested parties who do not contact the Secured Party and qualify prior to the sale will not be permitted to enter a bid.

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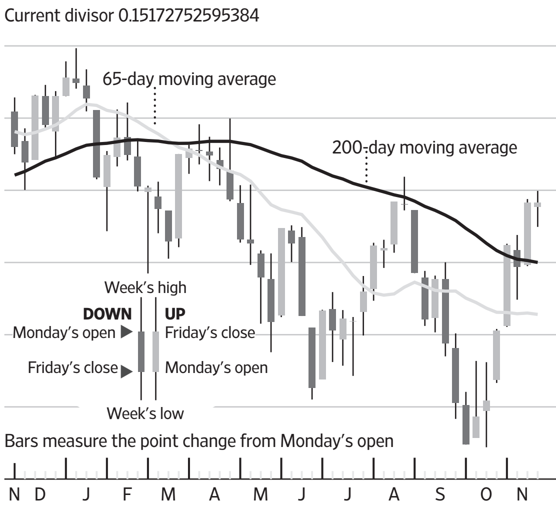
Dow Jones Industrial Average

33745.69 ▼2.17, or 0.01% last week

High, low, open and close for each of the past 52 weeks

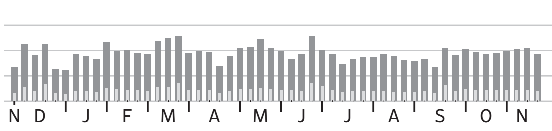
	Last	Year ago
Trailing P/E ratio	20.98	22.10
P/E estimate *	18.36	18.53
Dividend yield	2.04	1.94
All-time high	36799.65, 01/04/22	

Current divisor 0.15172752595384



Bars measure the point change from Monday's open

NYSE weekly volume, in billions of shares



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

S&P 500 Index

3965.34 ▼27.59, or 0.69% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio *	19.22	28.90
P/E estimate *	17.75	22.43
Dividend yield *	1.68	1.28
All-time high	4796.56, 01/03/22	

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Major U.S. Stock-Market Indexes

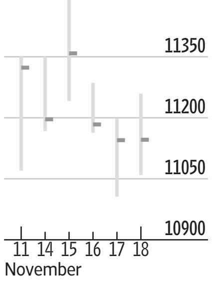
	Latest Week High	Low	Close	Net chg	% chg	52-Week Low	High	% chg	% chg YTD	3-yr. ann.
Dow Jones										
Industrial Average	33987.06	33239.75	**33745.69**	-2.17	**-0.01**	28725.51	36799.65	**-5.2**	-7.1	**6.4**
Transportation Avg	14797.70	13865.75	**14254.80**	-299.75	**-2.06**	11999.40	16874.53	**-13.7**	-13.5	**9.4**
Utility Average	941.68	913.94	**939.33**	11.90	**1.28**	838.99	1071.75	**2.7**	-4.2	**3.4**
Total Stock Market	40589.09	39260.21	**39847.45**	-389.13	**-0.97**	36056.21	48929.18	**-17.9**	-18.1	**7.7**
Barron's 400	980.74	952.15	**961.19**	-14.44	**-1.48**	825.73	1114.47	**-13.6**	-13.1	**10.8**
Nasdaq Stock Market										
Nasdaq Composite	11492.62	11006.21	**11146.06**	-177.27	**-1.57**	10321.39	16057.44	**-30.6**	-28.8	**9.2**
Nasdaq-100	12024.95	11519.38	**11677.02**	-139.99	**-1.18**	10690.60	16573.34	**-29.5**	-28.4	**11.9**
S&P										
500 Index	4028.84	3906.54	**3965.34**	-27.59	**-0.69**	3577.03	4796.56	**-15.6**	-16.8	**8.3**
MidCap 400	2565.63	2464.21	**2510.63**	-21.49	**-0.85**	2200.75	2875.24	**-12.5**	-11.7	**7.9**
SmallCap 600	1247.87	1194.87	**1218.14**	-14.04	**-1.14**	1064.45	1433.01	**-14.4**	-13.1	**7.6**
Other Indexes										
Russell 2000	1905.84	1820.71	**1849.73**	-33.01	**-1.75**	1649.84	2343.16	**-21.1**	-17.6	**5.1**
NYSE Composite	15485.49	15071.20	**15309.77**	-42.92	**-0.28**	13472.18	17353.76	**-9.8**	-10.8	**4.3**
Value Line	568.57	545.78	**554.75**	-8.34	**-1.48**	491.56	680.36	**-18.2**	-17.4	**1.4**
NYSE Arca Biotech	5284.34	5092.32	**5184.97**	-40.01	**-0.77**	4208.43	5649.54	**-4.5**	-6.0	**3.7**
NYSE Arca Pharma	830.80	808.90	**829.51**	21.58	**2.67**	737.84	887.27	**6.3**	0.3	**10.5**
KBW Bank	109.48	104.11	**105.86**	-4.07	**-3.70**	94.66	147.56	**-22.3**	-19.9	**-0.8**
PHLX§ Gold/Silver	118.15	111.46	**113.80**	-3.60	**-3.07**	91.40	167.76	**-17.4**	-14.1	**6.2**
PHLX§ Oil Service	88.68	82.68	**85.01**	-2.417	**-2.76**	49.14	88.37	**62.5**	61.3	**8.8**
PHLX§ Semiconductor	2848.68	2633.85	**2724.03**	-30.87	**-1.12**	2162.32	4039.51	**-30.4**	-31.0	**16.1**
Cboe Volatility	26.22	22.86	**23.12**	0.60	**2.66**	16.60	36.45	**29.1**	34.3	**22.9**

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

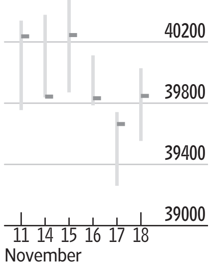
Nasdaq Composite

▼ 177.27, or -1.57% last week



DJ US TSM

▼ 389.13, or -0.97% last week



International Stock Indexes

Region/Country	Index	Latest Week Close	% chg	52-Week Range Low	High	YTD % chg
World	**MSCI ACWI**	616.04	–0.42	550.37	758.43	–18.4
	MSCI ACWI ex-USA	279.14	0.23	244.35	349.52	–18.9
	MSCI World	2658.90	–0.57	2367.69	3248.12	–17.7
	MSCI Emerging Markets	943.01	0.78	842.76	1269.22	–23.5
Americas	**MSCI AC Americas**	1507.45	–0.90	1363.36	1836.68	–17.5
Canada	**S&P/TSX Comp**	19980.91	–0.65	18206.28	22087.22	–5.9
Latin Amer.	**MSCI EM Latin America**	2174.65	–3.52	1912.59	2761.97	2.1
Brazil	**BOVESPA**	108870.17	–3.01	96120.85	121570.15	3.9
Chile	**S&P IPSA**	3174.39	–2.88	2667.44	3546.47	13.1
Mexico	**S&P/BMV IPC**	51569.72	–0.75	44626.80	56609.54	–3.2
EMEA	**STOXX Europe 600**	433.33	0.25	382.89	494.35	–11.2
	STOXX Europe 50	3707.38	1.30	3310.09	3866.60	–2.9
Eurozone	**Euro STOXX**	421.58	0.76	359.45	487.38	–12.0
	Euro STOXX 50	3924.84	1.46	3279.04	4392.15	–8.7
Austria	**ATX**	3225.43	0.68	2647.43	4057.59	–16.5
Belgium	**Bel-20**	3651.97	–0.30	3313.82	4362.21	–15.3
France	**CAC 40**	6644.46	0.76	5676.87	7376.37	–7.1
Germany	**DAX**	14431.86	1.46	11975.55	16271.75	–9.1
Greece	**Athex Composite**	889.90	–0.88	779.20	971.09	–0.4
Israel	**Tel Aviv**	1885.09	–4.84	1775.89	2071.10	–4.7
Italy	**FTSE MIB**	24675.18	0.90	20353	28163	–9.8
Netherlands	**AEX**	712.55	1.37	630.58	821.80	–10.7
Portugal	**PSI 20**	5766.02	0.46	5190.28	6349.21	3.5
Russia	**RTS Index**	1147.03	–0.97	742.91	1723.74	–28.1
South Africa	**FTSE/JSE All-Share**	72576.86	–0.56	63263.94	77536.12	–1.5
Spain	**IBEX 35**	8127.80	0.37	7261.1	8933.6	–6.7
Sweden	**OMX Stockholm**	798.93	–2.24	690.07	1045.27	–23.0
Switzerland	**Swiss Market**	11045.49	–0.73	10072.62	12970.53	–14.2
U.K.	**FTSE 100**	7385.52	0.92	6826.15	7672.40	0.0
Asia-Pacific	**MSCI AC Asia Pacific**	152.67	0.52	134.3	199.4	–20.9
Australia	**S&P/ASX 200**	7151.80	–0.09	6433.4	7592.8	–3.9
China	**Shanghai Composite**	3097.24	0.32	2886.43	3681.08	–14.9
Hong Kong	**Hang Seng**	17992.54	3.85	14687.02	25049.97	–23.1
India	**S&P BSE Sensex**	61663.48	–0.21	51360.42	61980.72	5.9
Japan	**NIKKEI 225**	27899.77	–1.29	24717.53	29774.11	–3.1
Malaysia	**FTSE Bursa Malaysia KLCI**	1449.32	–1.29	1373.36	1618.54	–7.5
Singapore	**Straits Times**	3272.23	1.36	2969.95	3445.01	4.8
South Korea	**KOSPI**	2444.48	–1.56	2155.49	3029.57	–17.9
Taiwan	**TAIEX**	14504.99	3.55	12666.12	18526.35	–20.4

Source: FactSet; Dow Jones Market Data

Commodities and Currencies

	Last Week Close	Net chg	% Chg	YTD % chg
DJ Commodity	**1040.30**	-30.75	**-2.87**	9.94
Refinitiv/CC CRB Index	**276.40**	-9.39	**-3.29**	18.95
Crude oil, $ per barrel	**80.08**	-8.88	**-9.98**	6.48
Natural gas, $/MMBtu	**6.303**	0.424	**7.21**	68.98
Gold, $ per troy oz.	**1751.90**	-14.10	**-0.80**	-4.14
U.S. Dollar Index	**107.01**	0.72	**0.67**	11.50
WSJ Dollar Index	**99.70**	0.54	**0.54**	11.33
Euro, per dollar	**0.9685**	0.003	**0.27**	10.14
Yen, per dollar	**140.39**	1.59	**1.14**	21.97
U.K. pound, in dollars	**1.19**	0.005	**0.43**	-12.12

	52-Week Low	High	% Chg
DJ Commodity	893.10	1264.48	**9.43**
Refinitiv/CC CRB Index	218.39	329.59	**17.60**
Crude oil, $ per barrel	65.57	123.70	**5.23**
Natural gas, $/MMBtu	3.561	9.680	**24.44**
Gold, $ per troy oz.	1623.30	2040.10	**-5.36**
U.S. Dollar Index	94.79	114.10	**11.43**
WSJ Dollar Index	88.95	105.14	**11.02**
Euro, per dollar	0.8730	1.0422	**9.25**
Yen, per dollar	112.78	150.15	**23.12**
U.K. pound, in dollars	1.07	1.37	**-11.59**

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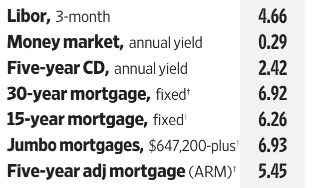
Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

New car loan

Bankrate.com avg†:	**6.58%**
First Savings Bank of Hegewisch	**3.80%**
Chicago, IL	773-646-4200
Third Coast Bank, SSB	**4.50%**
Humble, TX	281-446-7000
Frost Bank	**4.99%**
Houston, TX	800-513-7678
Amegy Bank	**5.39%**
Houston, TX	713-235-8800
Cambridge Savings Bank	**5.49%**
Cambridge, MA	888-418-5626

Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	**3.75-4.00**	3.75-4.00	0.00	4.00	**2.25**
Prime rate*	**7.00**	7.00	3.25	7.00	**2.25**
Libor, 3-month	**4.66**	4.61	0.16	4.68	**2.77**
Money market, annual yield	**0.29**	0.26	0.07	0.29	**-0.28**
Five-year CD, annual yield	**2.42**	2.40	0.41	2.42	**0.99**
30-year mortgage, fixed†	**6.92**	6.91	3.21	7.41	**3.03**
15-year mortgage, fixed†	**6.26**	6.27	2.52	6.53	**2.93**
Jumbo mortgages, $647,200-plus†	**6.93**	6.87	3.21	7.44	**2.63**
Five-year adj mortgage (ARM)†	**5.45**	5.60	2.82	5.60	**0.97**
New-car loan, 48-month	**6.58**	6.14	3.41	6.58	**2.09**

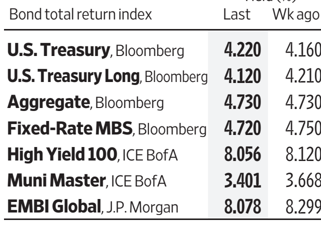
Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Benchmark Yields and Rates

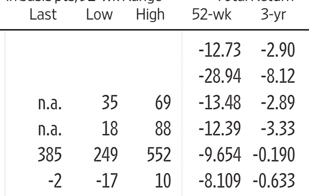
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Yield (%) Last	Wk ago	Spread +/- Treasurys, in basis pts, 52-wk Range Last	Low	High	Total Return 52-wk	3-yr
U.S. Treasury, Bloomberg	**4.220**	4.160				-12.73	-2.90
U.S. Treasury Long, Bloomberg	**4.120**	4.210				-28.94	-8.12
Aggregate, Bloomberg	**4.730**	4.730	n.a.	35	69	-13.48	-2.89
Fixed-Rate MBS, Bloomberg	**4.720**	4.750	n.a.	18	88	-12.39	-3.33
High Yield 100, ICE BofA	**8.056**	8.120	385	249	552	-9.654	-0.190
Muni Master, ICE BofA	**3.401**	3.668	-2	-17	10	-8.109	-0.633
EMBI Global, J.P. Morgan	**8.078**	8.299	406	322	496	-18.651	-4.622

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Fixed Income Indices; ICE BofA

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: Lipper

Friday, November 18, 2022

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Adams Diversified Eq Inc **ADX**	NA	15.10	NA	-21.0
Central Secs **CET**	41.23	34.32	-16.8	-10.9
CohenStrsCEOppFd **FOF**	10.81	10.69	-1.1	-17.1
EVTxAdvDivIncm **EVT**	24.57	23.96	-2.5	-9.7
GabelliDiv&IncTr **GDV**	24.64	21.20	-14.0	-17.3
Gabelli Equity Tr **GAB**	5.35	5.70	+6.5	-10.3
GeneralAmer **GAM**	44.49	37.05	-16.7	-11.5
JHancockTaxAdvDiv **HTD**	23.30	22.67	-2.7	-0.1
Liberty All-Star Equity **USA**	6.05	6.23	+3.0	-16.9
Liberty All-Star Growth **ASG**	5.37	5.24	-2.4	-36.6
Royce Micro-Cap Tr **RMT**	10.18	9.05	-11.1	-15.0
Royce Value Trust **RVT**	15.32	14.23	-7.1	-18.1
Source Capital **SOR**	40.17	37.25	-7.3	-8.6
Sprott Focus Trust **FUND**	8.69	8.06	-7.3	-0.8
SRH Total Return **STEW**	15.47	12.89	-16.7	2.1
Tri-Continental **TY**	30.66	27.28	-11.0	-10.3
Specialized Equity Funds				
abrdn Glb Prem Prop **AWP**	4.43	4.24	-4.3	-28.2
Adams Natural Resources **PEO**	NA	22.48	NA	41.3
ASA Gold & Prec Met Ltd **ASA**	16.14	13.20	-18.2	-39.9
BR Enh C&I **CII**	18.75	17.90	-4.5	-11.4
BlackRock Energy & Res **BGR**	14.67	12.68	-13.6	38.9
BlackRock Eq Enh Div **BDJ**	9.21	9.14	-0.8	0.9
BlackRock Enh Glbl Div **BOE**	10.92	9.62	-11.9	-14.5
BlackRock Enh Intl Div **BGY**	5.70	5.09	-10.7	-12.0
BlackRock ESG Cap Alloc **ECAT**	16.96	14.13	-16.7	-21.4
BlackRock Hlth Sci Tr II **BMEZ**	18.45	15.32	-17.0	-34.4
BlackRock Hlth Sciences **BME**	42.37	42.69	+0.8	-4.1
BlackRock Innov and Grow **BIGZ**	9.09	7.21	-20.7	-52.3
BlackRock Res & Comm **BCX**	11.20	9.60	-14.3	8.2
BlackRock Sci&Tech T II **BSTZ**	20.72	17.01	-17.9	-54.0
BlackRock Sci&Tech Trust **BST**	31.17	31.61	+1.4	-34.9
BlackRock Utl Inf & Pwr **BUI**	22.34	21.23	-5.0	-12.1
CLEARBRIDGE ENGY MDS OPP **EMO**	NA	30.41	NA	42.5
CLEARBRIDGE MLP&MDSTM TR **CTR**	NA	31.21	NA	32.2
ClearBridge MLP & Midstm **CEM**	NA	36.01	NA	35.4
ChnStrInfr **UTF**	24.46	24.06	-1.6	-6.6
Cohen&SteersQualInc **RQI**	12.95	12.34	-4.7	-21.6
CohenStrs Real Est and I **RLTY**	16.01	13.95	-12.9	NS
Cohen&Steers TotRet **RFI**	12.16	12.25	+0.7	-21.2
CohenStrsREITPrefInc **RNP**	21.64	21.14	-2.3	-17.5
Columbia Sel Prm Tech Gr **STK**	24.93	26.35	+5.7	-24.3
DNP Select Income **DNP**	9.04	11.24	+24.3	12.9
Duff&Ph Uti&Infra Inc Fd **DPG**	NA	13.50	NA	7.3
EtnVncEqtyInc **EOI**	15.58	16.59	+6.5	-10.9
EtnVncEqtyIncoII **EOS**	16.50	17.32	+5.0	-23.2
EVRskMnDvsEqInc **ETJ**	8.32	8.49	+2.0	-16.8
ETnVncTxMgdBuyWrtInc **ETB**	13.44	14.83	+10.3	-4.2
EtnVncTxMgdBuyWrtOpp **ETV**	12.59	13.52	+7.4	-10.8
EvTxMnDvsEqInc **ETY**	11.59	11.85	+2.2	-13.0
EtnVncTxMgdGlbB **ETW**	8.57	8.51	-0.7	-15.9
EVTxMnGblDvEqInc **EXG**	8.16	7.91	-3.1	-17.5
Ecofin S&S Impact Term **TEAF**	NA	13.72	NA	-1.7
First Trust Energy Inc G **FEN**	15.42	14.97	-2.9	14.1
First Tr Enhanced Eq **FFA**	17.25	16.13	-6.5	-18.2
FirstTrEnergyInfra **FIF**	17.34	14.84	-14.4	17.7
FirstTrMLPEner&Inc **FEI**	9.23	7.90	-14.4	16.8
Gabelli Healthcare **GRX**	11.87	9.91	-16.5	-19.5
Gab Utility **GUT**	3.66	6.91	+88.8	-3.4
GAMCOGlGold&NatRes **GGN**	3.76	3.47	-7.7	-0.2
J Han Finl Opptys **BTO**	35.44	35.88	+1.2	-10.2
Neuberger Brmn MLP & EI **NML**	8.52	7.04	-17.4	39.2
Neuberger Nxt Gen Conn **NBXG**	11.95	9.70	-18.8	-44.4
NubrgrRlEstSec **NRO**	3.52	3.44	-2.3	-24.9
Nuv Dow 30 Dyn Overwrite **DIAX**	16.49	15.78	-4.3	-4.0
NuvCorEqAlpha **JCE**	12.72	13.29	+4.5	-8.6
Nuveen Nasdaq 100 Dyn Ov **QQQX**	21.00	22.82	+8.7	-18.8
Nuv Real Est **JRS**	8.57	8.13	-5.1	-25.3
Nuveen Rl Asst Inc & Gro **JRI**	13.75	11.80	-14.2	-17.0
NuvS&P500DynOvFd **SPXX**	15.32	17.32	+13.1	2.3
NuvSP500BuyIncFd **BXMX**	12.94	13.55	+4.7	-2.3
ReavesUtilityIncome **UTG**	29.12	28.90	-0.8	-6.8
Tortoise Enrgy Infra Crp **TYG**	NA	33.42	NA	25.4
Tortoise Midstream Enrgy **NTG**	NA	37.13	NA	26.2
VDivInt&PremStr **NFJ**	NA	11.66	NA	-21.8
V Art Int&Tech Opps **AIO**	19.62	16.93	-13.7	-24.3
Income & Preferred Stock Funds				
CalamosStratTot **CSQ**	13.80	14.07	+2.0	-21.1
CohenStrsLtdDurPref&Inc **LDP**	20.70	18.77	-9.3	-22.6
CohenStrsSelPref&Income **PSF**	20.49	19.51	-4.8	-24.9
CohenStrsTaxAvPreSecs&I **PTA**	20.36	18.46	-9.3	-18.2
Dividend and Income **DNI**	17.09	NA	NA	NA
FirstTrIntDurPref&Inc **FPF**	18.92	17.16	-9.3	-26.3
JHanPrefInc **HPI**	16.00	16.02	+0.1	-17.9
JHPrefIncII **HPF**	15.84	15.69	-0.9	-21.6
HnckJPfdInco III **HPS**	14.22	14.38	+1.1	-18.6
J Han Prm **PDT**	12.88	13.87	+7.7	-13.2
LMP CapInco **SCD**	NA	12.69	NA	-6.8
Nuveen Multi-Asset Inc **NMAI**	13.80	11.94	-13.5	NS
Nuveen Pref & Inc Opp **JPC**	7.86	7.43	-5.5	-15.8
Nuveen Fd **JPS**	7.65	6.90	-9.8	-23.0
Nuveen Pref & Inc Term **JPI**	19.48	19.00	-2.5	-18.0
Nuveen Var Rate P&I **NPFD**	19.38	17.52	-9.6	NS
TCW Strat Income **TSI**	5.05	4.71	-6.7	-12.6
Convertible Sec's. Funds				
AdvntCnvrtbl&IncFd **AVK**	12.59	11.72	-6.9	-25.6
CalamosConvHi **CHY**	10.90	11.79	+8.2	-22.4
CalmosConvOp **CHI**	10.33	11.66	+12.9	-19.7
Ellsworth G&I Fund Ltd **ECF**	9.76	8.48	-13.1	-33.7
V Conv & Inc **NCV**	NA	3.54	NA	-33.9
V Conv & Inc II **NCZ**	NA	2.97	NA	-36.8
V Div Inc & Conv **ACV**	NA	20.00	NA	-27.4
V Eqty & Conv Inc **NIE**	NA	21.55	NA	-23.0
World Equity Funds				
abrdn Emg Mkts Eq Inc **AEF**	5.85	5.15	-12.0	-31.7
abrdn Tot Dyn Div **AOD**	9.20	8.07	-12.3	-13.0
Allspring Gl Div Oppty **EOD**	4.77	4.91	+2.9	-6.1
BlackRock Capital Alloc **BCAT**	17.08	14.28	-16.4	-21.6
Calamos GloDynInc **CHW**	6.43	6.10	-5.1	-34.9
EV TxAdvGlbDivInc **ETG**	16.90	15.91	-5.9	-23.4
EtnVncTxAdvOpp **ETO**	23.19	21.84	-5.8	-27.2
FirstTr Dyn Euro Eq Inc **FDEU**	12.55	11.03	-12.1	-9.0
Gabelli Multimedia **GGT**	4.22	6.07	+43.8	-25.5
GDL Fund **GDL**	9.97	7.83	-21.5	-7.9
Highland Global Alloc **HGLB**	12.25	9.94	-18.9	18.8
India Fund **IFN**	18.58	17.68	-4.8	-10.3
Japan Smaller Cap **JOF**	7.48	6.29	-15.9	-20.2
LazardGlbTotRetInc **LGI**	16.11	14.88	-7.6	-19.5
Mexico **MXF**	NA	15.20	NA	9.5
Miller/Howard High Inc E **HIE**	11.35	10.37	-8.6	6.8
MS ChinaShrFd **CAF**	16.21	13.18	-18.7	-34.1
MS India **IIF**	29.05	23.97	-17.5	-9.0
MS CBRE Gl In Mg **MEGI**	NA	14.15	NA	-25.2
Templeton Dragon **TDF**	NA	9.40	NA	-42.8
Templeton Em Mkt **EMF**	NA	11.61	NA	-28.8

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
BlckRk Income **BKT**	13.13	12.56	-4.3	9.6
Invesco HI 2023 Tgt Term **IHIT**	8.49	8.31	-2.1	5.9
Investment Grade Bond Funds				
Angel Oak FS Inc Trm **FINS**	14.93	12.90	-13.6	9.99
BlRck Core Bond **BHK**	10.89	10.60	-2.7	8.8
BR Credit Alloc Inc **BTZ**	11.13	10.54	-5.3	10.2
J Han Income **JHS**	11.72	10.99	-6.2	6.6
MFS Intmdt **MIN**	3.00	2.79	-7.0	0.0
Western Asset Inf-Lk Inc **WIA**	NA	8.86	NA	22.6
Western Asset Inf-Lk O&I **WIW**	NA	9.29	NA	14.9
Loan Participation Funds				
Apollo Senior Floating **AFT**	NA	12.56	NA	8.4
BR Debt Strategy **DSU**	10.46	9.50	-9.2	8.0
BR F/R Inc Str **FRA**	12.81	11.58	-9.6	7.1
BlackRock Floatng Rt Inc **BGT**	12.44	11.20	-10.0	7.1
Blackstone Sr Fl Rt Tm **BSL**	NA	12.76	NA	7.2
Blackstone Strat Cr **BGB**	NA	10.75	NA	7.7
EtnVncFltRteInc **EFT**	12.76	11.48	-10.0	8.3
EV SenFlRtTr **EFR**	12.55	11.34	-9.6	8.7
FT/Sr Fltg Rte Inc 2 **FCT**	11.03	9.92	-10.1	8.9
Highland Income **HFRO**	14.91	11.35	-23.9	8.2
InvDYCrOpp:AX **VTA**	11.24	NA	NA	NA
InvSnrIncTr **VVR**	4.21	3.86	-8.3	9.4
Nuveen Credit Strat Inc **JQC**	5.84	5.12	-12.3	9.4
NuvFloatRateIncFd **JFR**	9.13	8.28	-9.3	9.1
NuvFloatRteIncOppty **JRO**	9.03	8.17	-9.5	9.1
Nuveen Senior Income **NSL**	5.34	4.80	-10.1	9.2
High Yield Bond Funds				
AllianceBernGlHiIncm **AWF**	10.52	10.03	-4.7	8.2
Allspring Income Oppty **EAD**	7.08	6.72	-5.1	11.1
Barings Glb SD HY Bd **BGH**	14.50	12.97	-10.6	10.0
BR Corporate HY **HYT**	9.32	8.79	-5.7	10.7
BlackRock Ltd Dur Inc **BLW**	13.50	12.66	-6.2	9.4
Brookfield Real Asst Inc **RA**	15.86	17.61	+11.0	13.1
CrSuisHighYld **DHY**	2.00	1.91	-4.5	10.4
DELAWARE IVY HIGH INCOPP **IVH**	11.57	10.49	-9.3	8.5
DoubleLine Inc Sol **DSL**	NA	11.38	NA	15.5
DoubleLine Yld Opps **DLY**	NA	13.22	NA	10.6
First Tr Hi Inc Lng/Shrt **FSD**	12.67	11.23	-11.4	11.3
First Trust HY Opp:2027 **FTHY**	15.84	13.94	-12.0	12.0
Franklin Univ **FT**	NA	6.67	NA	7.7
KKR Income Opportunities **KIO**	NA	11.45	NA	11.3
Nuveen Global High Inc **JGH**	12.73	11.51	-9.6	11.9
PGIM Global High Yield **GHY**	12.49	10.99	-12.0	11.8
PGIM High Yield Bond **ISD**	13.66	12.26	-10.2	10.5
PGIM Sh Dur Hi Yld Opp **SDHY**	16.87	14.67	-13.0	8.8
PioneerHiIncm **PHT**	7.49	6.71	-10.4	11.6
WstAstHIF II **HIX**	NA	5.08	NA	12.8
Western Asset Hi Inc Opp **HIO**	NA	3.91	NA	9.5
Western Asset Hi Yld D O **HYI**	NA	12.41	NA	9.4
Other Domestic Taxable Bond Funds				
Allspring Multi-Sector **ERC**	9.55	9.50	-0.5	12.2
Apollo Tactical Income **AIF**	NA	12.15	NA	9.3
Ares Dynamic Crdt Alloc **ARDC**	NA	12.00	NA	10.1
BlackRock Mlt-Sctr Inc **BIT**	14.71	14.89	+1.2	10.2
BlackRock Tax Muni Bd **BBN**	17.16	17.40	+1.4	8.6
DoubleLine:Oppor Crdt Fd **DBL**	NA	14.49	NA	9.4
EVLmtDurIncm **EVV**	10.47	10.03	-4.2	12.7
Franklin Ltd Dur Income **FTF**	NA	6.33	NA	13.3
J Han Investors **JHI**	13.58	13.03	-4.1	10.6
MFS Charter **MCR**	6.72	6.54	-2.7	0.0
NuvCorePlusImpact **NPCT**	12.13	10.53	-13.2	11.9
Nuveen Taxable Muni Inc **NBB**	16.04	15.28	-4.7	8.5
PIMCO Corp & Inc Oppty **PTY**	11.04	12.66	+14.7	11.7
PIMCO Corp & Inc Strat **PCN**	11.38	12.26	+7.7	10.9
PIMCOHiIncо **PHK**	4.65	4.80	+3.2	12.0
PIMCO IncmStrFd **PFL**	8.07	8.35	+3.5	11.6
PIMCO IncmStrFd II **PFN**	7.10	7.47	+5.2	11.8
Putnam Prem Inc **PPT**	3.98	3.70	-7.0	8.5
Western Asset Dvsfd Inc **WDI**	NA	12.92	NA	11.5
World Income Funds				
abrdn AP IncFd **FAX**	3.00	2.49	-17.0	13.9
MS EmMktDomDebt **EDD**	5.01	4.19	-16.4	8.0
PIMCO Access Income **PAXS**	16.40	15.38	-6.2	NS
PIMCO Dynamic Income **PDI**	18.46	19.55	+5.9	13.3
PIMCO Dynamic Inc Opp **PDO**	14.43	13.94	-3.4	13.7
PIMCO Stratg Inc **RCS**	4.40	5.24	+19.0	12.0
Templeton Em Inc **TEI**	NA	4.98	NA	15.4
Templtn Glbl Inc **GIM**	NA	4.06	NA	9.5
WstAstEmergDebt **EMD**	NA	8.98	NA	12.7
Western Asset Gl Cr D Op **GDO**	NA	12.55	NA	10.3
National Muni Bond Funds				
AllBerNatlMunInc **AFB**	12.01	10.62	-11.6	5.6
BlckRk Inv Q Mun **BKN**	12.71	11.96	-5.9	7.3
BlackRock Muni 2030 Tgt **BTT**	22.90	21.02	-8.2	3.6
BlackRock Muni **BFK**	11.15	9.82	-11.9	6.9
BlackRock Muni II **BLE**	11.58	10.32	-10.9	6.9
BlckRk Muni Inc Qly **BYM**	12.31	11.23	-8.8	6.7
BR MuniAssets Fd **MUA**	11.33	10.28	-9.3	5.8
BR MH Qly 2 **MUE**	11.17	10.04	-10.1	6.6
BR MuniHoldngs **MHD**	13.09	11.61	-11.3	6.6
BR MuniVest Fd **MVF**	7.67	6.83	-11.0	6.2
BR MuniVest 2 **MVT**	11.81	10.41	-11.9	6.8
BR MuniYield Fd **MYD**	11.67	10.26	-12.1	6.4
BR MuniYield Qlty **MQY**	12.76	11.48	-10.0	6.7
BR MuniYld Qlty2 **MQT**	11.31	10.18	-10.0	6.7
BR MuniYld Qly 3 **MYI**	12.08	10.81	-10.5	6.0
BNY Mellon Muni Bd Infra **DMB**	11.63	10.41	-10.5	6.3
BNY Mellon Str Muni Bond **DSM**	6.46	5.64	-12.7	6.6
BNY Mellon Strat Muni **LEO**	6.73	6.12	-9.1	6.0
Del Inv Natl Muni Income **VFL**	11.64	11.13	-4.4	5.1
DWS Muni Inc **KTF**	9.79	8.42	-14.0	5.4
EVMuniBd **EIM**	11.24	10.00	-11.0	5.6
EVMuniIncm **EVN**	11.10	9.95	-10.4	5.9
EVNatMuniOpp **EOT**	17.84	16.49	-7.6	4.7
InvAdvMuIncTrII **VKI**	9.43	8.42	-10.7	6.9
Invesco MuniOp **OIA**	6.23	6.05	-2.9	6.4
InvescoMuOppTr **VMO**	10.53	9.39	-10.8	6.7
InvescoMuTr **VKQ**	10.56	9.39	-11.1	6.6
InvescoQual Inc **IQI**	10.63	9.47	-10.9	6.4
InvTrInvGrMu **VGM**	10.88	9.67	-11.1	6.5
InvescoValMunInc **IIM**	13.03	11.66	-10.5	6.5
MAINSTAY:MK DEFTR MUN OP **MMD**	NA	16.05	NA	6.5
NeubrgrBrm **NBH**	11.73	10.48	-10.7	6.8
Nuveen AMT-Fr Mu Val **NUW**	14.74	13.51	-8.3	3.5
Nuveen AMT-Fr Qlty Mun I **NEA**	12.29	11.01	-10.4	6.3
Nuveen AMT-Fr Mu CI **NVG**	13.13	11.86	-9.7	7.0
Nuveen Dyn Muni Opp **NDMO**	10.89	10.07	-7.5	9.7
Nuveen Int Dur Mun Term **NID**	13.18	12.77	-3.1	4.5
Nuveen Mu Crdt Opps **NMCO**	11.84	11.50	-2.9	7.1
Nuv Muni Credit Income **NZF**	13.11	11.70	-10.8	6.7
NuvMuniHiIncOpp **NMZ**	10.80	10.62	-1.7	7.6
Nuveen Muni Val **NUV**	9.10	8.58	-5.7	4.0
Nuveen Quality Muni Inc **NAD**	12.68	11.35	-10.5	6.4
Nuveen Sel TF **NXP**	14.16	13.42	-5.2	4.2
PIMCO MuniInc **PMF**	9.51	10.03	+5.5	6.3
PIMCOMuniIncII **PML**	8.78	9.25	+5.4	7.9
Pimco Muni III **PMX**	8.03	8.63	+7.5	6.9
PioneerHiIncAdv **MAV**	8.98	7.86	-12.5	6.6
PionrMuniHiIncOppty **MIO**	12.18	10.54	-13.5	7.2
PioneerMunHiIcm **MHI**	9.70	8.64	-10.9	6.1
Putnam Mgd Inc **PMM**	6.38	6.08	-4.7	6.1
Putnam Muni Opp **PMO**	10.88	10.98	+0.9	6.1
RiverNorth Flx Mu Inc II **RFMZ**	15.24	13.58	-10.9	8.8
RiverNorth Mgd Dur Mun I **RMM**	16.08	14.68	-8.7	8.1
Western Asset Mgd Muni **MMU**	NA	10.09	NA	4.9
Single State Muni Bond				
BlackRock CA Mun **BFZ**	12.51	10.70	-14.5	5.0
BR MH CA Qly Fd Inc **MUC**	12.31	10.80	-12.3	6.4
BR MH NJ Qly **MUJ**	12.56	11.43	-9.0	6.9
BR MH NY Qly **MHN**	11.61	10.01	-13.8	6.4
BR MuniYld MI Qly **MIY**	12.57	11.20	-10.9	6.1
BR MuniYld NY Qly **MYN**	11.21	9.63	-14.1	6.2
BlackRock NY Mun **BNY**	11.50	9.85	-14.3	6.4
EVCAMuniBd **EVM**	10.13	8.61	-15.0	5.5
InvCaValMuIncTr **VCV**	10.76	9.41	-12.5	6.1
InvPAValMuIncTr **VPV**	11.42	9.72	-14.9	6.0
InvTrInvGrNYMu **VTN**	11.52	9.99	-13.3	5.7
Nuveen CA AMT-F Qual MI **NKX**	12.90	11.64	-9.8	5.9
Nuveen CA Val **NCA**	9.14	8.36	-8.5	3.5
NuveenCAQtyMuInc **NAC**	12.39	11.01	-11.1	6.1
NuvNJ Qual Muni Inc **NXJ**	13.13	11.31	-13.9	6.0
Nuveen NY AMT/Fr Qual MI **NRK**	11.66	10.25	-12.1	5.9
Nuveen NY Qual Muni Inc **NAN**	12.16	10.51	-13.6	5.8
Nuveen OH Qual Muni Inc **NUO**	14.29	12.32	-13.8	4.4
Nuveen PA Qual Muni Inc **NQP**	13.02	11.06	-15.1	5.6
Nuveen VA Qlty Mun Inc **NPV**	12.04	11.52	-4.3	5.1
PIMCO CA **PCQ**	10.26	15.14	+47.6	5.4
PIMCOCAMuniII **PCK**	6.48	6.62	+2.2	6.0

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
BOW RIVER CAPTL EVGN;I	40.00	NA	NA	4.3
BOW RIVER CAPTL EVGN;II	39.91	NA	NA	N
Specialized Equity Funds				
ArrowMark Financial Corp **BANX**	NA	17.30	NA	NA
Bluerock Total Inc+ RE:M	NA	NA	NA	NS
CBRE GlbRlEst **IGR**	6.47	6.14	-5.1	-30.2
Clarion Partners REI D	12.67	NA	NA	11.8
Clarion Partners REI I	12.69	NA	NA	12.2
Clarion Partners REI S	12.69	NA	NA	11.2
Clarion Partners REI T	12.66	NA	NA	11.2
First Tr Real Assets;I	NA	NA	NA	NS
NexPointRlEstStrat;A	20.90	NA	NA	11.9
NexPointRlEstStrat;C	21.13	NA	NA	11.0
NexPointRlEstStrat;Z	21.15	NA	NA	12.3
PREDEX;I	31.91	NA	NA	18.4
PREDEX;T	32.12	NA	NA	18.3
PREDEX;W	32.12	NA	NA	18.3
Principal Dvs Sel RA A	26.70	NA	NA	0.4
Principal Dvs Sel RA Ins	26.78	NA	NA	0.7
Principal Dvs Sel RA Y	26.97	NA	NA	0.9
The Private Shares;A	42.31	NA	NA	0.6
The Private Shares;I	42.87	NA	NA	0.8
The Private Shares;L	41.77	NA	NA	0.3
USQ Core Real Estate:I	30.36	NA	NA	15.5
USQ Core Real Estate:IS	30.41	NA	NA	15.6
Versus Cap MMgr RE Inc:I	30.48	NA	NA	NE
Versus Capital Real Asst	27.02	NA	NA	4.9
Wildermuth:A	13.23	NA	NA	0.5
Wildermuth:C	12.50	NA	NA	-0.2
Wildermuth:I	13.37	NA	NA	0.7
Income & Preferred Stock Funds				
Alpha Alternative Assets	6.49	NA	NA	-19.7
Calamos L/S Eqty and DI **CPZ**	18.05	15.68	-13.1	-6.6
Flat Rock Opportunity	18.76	NA	NA	-4.1
Lord Abbett Spec Sit I:A	8.93	NA	NA	-7.2
Lord Abbett Spec Sit I:I	8.94	NA	NA	-4.2
Variant Impact;Instl	26.63	NA	NA	11.5
Convertible Sec's. Funds				
Calmos Dyn Conv and Inc **CCD**	20.35	22.42	+10.2	-29.5
World Equity Funds				
ACAP Strategic:A	14.22	NA	NA	-43.0
ACAP Strategic:W	10.57	NA	NA	-42.6
CalamosGlbTotRet **CGO**	10.01	9.30	-7.1	-30.7
Primark Priv Eq Inv:I	11.26	NA	NA	-10.7
Sweater Cashmere	20.12	NA	NA	NS
Thornburg Inc Bldr Opps **TBLD.O**	16.46	14.48	-12.0	-12.9
VirtusTotalRetFd **ZTR**	7.24	6.63	-8.4	-10.9

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
Arca US Treasury	NA	NA	NA	0.0
Ellington Inc Opp:A	8.37	NA	NA	8.9
Ellington Inc Opp:M	8.25	NA	NA	9.8
Loan Participation Funds				
1WS Credit Income;A2	NA	NA	NA	6.9
1WS Credit Income;Inst	NA	NA	NA	6.9
AlphCntrc Prime Merid In	8.99	NA	NA	11.7
Axonic Alternative Inc	NA	NA	NA	12.5
Blackstone FR EI D	21.01	NA	NA	6.6
Blackstone FR EI I	20.98	NA	NA	6.9
Blackstone FR EI T	20.94	NA	NA	6.3
Blackstone FR EI T-I	21.46	NA	NA	6.3
Blackstone FR EI U	21.87	NA	NA	6.3
Bluerock HI Inst Crd:A	NA	NA	NA	NS
Bluerock HI Inst Crd:C	NA	NA	NA	NS
Bluerock HI Inst Crd:F	NA	NA	NA	NS
Bluerock HI Inst Crd:I	NA	NA	NA	NS
BNYM Alcntr Glb MS Cr Fd	85.38	NA	NA	9.5
CliffwaterClFd;I	10.59	NA	NA	8.4
CliffwaterElFd;A	NA	NA	NA	9.8
CNR Strategic Credit	7.96	NA	NA	21.2
Eagle Point Instl Income	NA	NA	NA	NS
Equalize Community Dev	9.31	NA	NA	2.8
FedProj&TrFinanceTendr	9.95	NA	NA	3.0
Flat Rock Core Income	19.82	NA	NA	7.0
InvDYCrOpp:A	11.24	NA	NA	NS
InvDYCrOpp:R6	11.25	NA	NA	NS
InvDYCrOpp:Y	11.24	NA	NA	NS
Invesco Sr Loan A	5.96	NA	NA	6.6
Invesco Sr Loan C	5.98	NA	NA	5.8
Invesco Sr Loan IB	5.96	NA	NA	6.9
Invesco Sr Loan IC	5.96	NA	NA	6.7
Invesco Sr Loan Y	5.96	NA	NA	6.8
OFS Credit Company **OCCI**	NA	8.91	NA	NA
Yieldstreet Prism	NA	NA	NA	8.1
High Yield Bond Funds				
Apollo Diversified Cd:A	NA	NA	NA	6.8
Apollo Diversified Cd:C	NA	NA	NA	6.8
Apollo Diversified Cd:F	NA	NA	NA	7.1
Apollo Diversified Cd:I	NA	NA	NA	6.8
Apollo Diversified Cd:L	NA	NA	NA	6.8
Apollo Diversified Cd:M	NA	NA	NA	NS
Opprtnstc Crdt Intrvl;I	10.06	NA	NA	NS
PIMCO Flexible Cr I;A-1	7.53	NA	NA	9.7
PIMCO Flexible Cr I;A-2	7.53	NA	NA	9.7
PIMCO Flexible Cr I;A-3	7.53	NA	NA	9.4
PIMCO Flexible Cr I;A-4	7.53	NA	NA	9.4
PIMCO Flexible Cr I;Inst	7.53	NA	NA	10.2
WA Middle Mkt Inc	NA	NA	NA	5.9
Other Domestic Taxable Bond Funds				
AFA MMC;Inst	9.67	NA	NA	5.9
AFA MMC;Inv	9.65	NA	NA	5.9
Alternative Credit Inc:A	NA	NA	NA	6.8
Alternative Credit Inc:C	NA	NA	NA	6.0
Alternative Credit Inc:I	NA	NA	NA	7.1
Alternative Credit Inc:L	NA	NA	NA	6.6
Alternative Credit Inc:W	NA	NA	NA	6.8
Angel Oak Str Crdt:FI	20.32	NA	NA	NS
Angel Oak Str Crdt:Inst	20.31	NA	NA	14.9
BR Credit Strat;A	8.50	NA	NA	6.8
BR Credit Strat;Inst	8.48	NA	NA	7.8
BR Credit Strat;U	8.50	NA	NA	6.8
BR Credit Strat;W	8.50	NA	NA	6.8
BlackRock Mlt-Sctr Oppty	68.02	NA	NA	9.6
BlackRock Mlt-Sec Opp II	69.87	NA	NA	9.2
CION Ares Dvsfd Crdt;A	NA	NA	NA	5.8
CION Ares Dvsfd Crdt;C	NA	NA	NA	5.8
CION Ares Dvsfd Crdt;I	NA	NA	NA	5.9
CION Ares Dvsfd Crdt;L	NA	NA	NA	5.9
CION Ares Dvsfd Crdt;U	NA	NA	NA	5.7
CION Ares Dvsfd Crdt:U2	NA	NA	NA	5.7
CION Ares Dvsfd Crdt;W	NA	NA	NA	5.8
CNR Select Strategies	12.36	NA	NA	0.0
First Eagle Crdt Opps A	NA	NA	NA	7.3
First Eagle Crdt Opps A2	NA	NA	NA	NS
First Eagle Crdt Opps I	NA	NA	NA	7.9
First Trust Private Cr;I	9.84	NA	NA	NS
FS Credit Income;A	NA	NA	NA	6.3
FS Credit Income;I	NA	NA	NA	6.5
FS Credit Income;T	NA	NA	NA	6.0
FS Credit Income;U	NA	NA	NA	5.7
FS Credit Income;U-2	NA	NA	NA	6.3
GL Beyond Income	0.43	NA	NA	NE
KKR CREDIT OPPTY;D	NA	NA	NA	10.6
KKR CREDIT OPPTY;I	NA	NA	NA	9.4
KKR CREDIT OPPTY;T	NA	NA	NA	8.5
KKR CREDIT OPPTY;U	NA	NA	NA	8.6
Palmer Square Opp Inc	16.37	NA	NA	7.1
The Finite Solar Finance	9.81	NA	NA	NS
Thrivent Church Ln&Inc:S	9.00	NA	NA	3.3
World Income Funds				
BlueBay Destra Itl E:A	23.95	NA	NA	14.7
BlueBay Destra Itl E:I	23.97	NA	NA	14.9
BlueBay Destra Itl E:L	23.92	NA	NA	14.4
BlueBay Destra Itl E:T	23.84	NA	NA	14.3
Carlyle Tact Pvt Cred:A	NA	NA	NA	7.7
Carlyle Tact Pvt Cred:I	NA	NA	NA	8.2
Carlyle Tact Pvt Cred:L	NA	NA	NA	7.6
Carlyle Tact Pvt Cred:M	NA	NA	NA	7.4
Carlyle Tact Pvt Cred:N	NA	NA	NA	8.3
Carlyle Tact Pvt Cred:U	NA	NA	NA	NS
Carlyle Tact Pvt Cred:Y	NA	NA	NA	8.0
Lord Abbett Cred Opps Fd	9.02	NA	NA	7.7
Lord Abbett Cred Opps Fd	9.02	NA	NA	8.5
Lord Abbett Crd Op:U	9.03	NA	NA	7.7
Oaktree Dvsfd Income;D	8.78	NA	NA	NS
PIMCO Flexible EM I;Inst	8.04	NA	NA	NS
National Muni Bond Funds				
Ecofin Tax-Adv Soc Impct	9.30	NA	NA	4.9
Lind Cap Pt Mun Cred Inc	8.74	NA	NA	NS
Nuveen En HY Muni Bd:A1	7.13	NA	NA	5.0
Nuveen En HY Muni Bd:A2	7.15	NA	NA	NS
Nuveen En HY Muni Bd:I	7.13	NA	NA	6.0
PIMCO Flex Mun Inc;A-3	9.72	NA	NA	2.7
PIMCO Flex Mun Inc:A1	9.72	NA	NA	3.0
PIMCO Flex Mun Inc;A2	9.72	NA	NA	3.1
PIMCO Flex Mun Inc;Inst	9.72	NA	NA	3.6
Single State Muni Bond				
PIMCO CA FMI;Inst	9.79	NA	NA	NS

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA lost 2.17 points, or 0.01%, on the week. A $1 change in the price of any DJIA stock = 6.59-point change in the average. To date, a $1,000 investment on Dec. 31 in each current DJIA stock component would have returned $28,488, or a loss of 5.04%, on the $30,000 investment, including reinvested dividends.

The Week's Action: Pct chg (%)	Stock price change	Point chg in average*	Company	Symbol	Close	$1,000 Invested (year-end '21)
6.70	3.00	19.77	**Cisco**	CSCO	$47.79	$778
6.40	6.27	41.32	**Merck**	MRK	104.23	1,394
5.37	7.65	50.42	**Walmart**	WMT	150.23	1,051
4.11	6.95	45.81	**Johnson & Johnson**	JNJ	176.20	1,050
3.12	4.47	29.46	**IBM**	IBM	147.64	1,160
2.83	5.80	38.23	**Visa**	V	210.80	980
1.56	2.83	18.65	**Travelers**	TRV	184.56	1,199
1.52	7.92	52.20	**UnitedHealth Group**	UNH	530.00	1,066
1.13	1.60	10.55	**Procter & Gamble**	PG	142.57	893
1.06	1.59	10.48	**Apple**	AAPL	151.29	857
0.85	1.80	11.86	**Honeywell**	HON	214.53	1,050
0.80	2.27	14.96	**Amgen**	AMGN	287.29	1,317
0.73	1.98	13.05	**McDonald's**	MCD	273.37	1,037
0.65	0.25	1.65	**Verizon**	VZ	38.55	783
–0.29	–0.18	–1.19	**Coca-Cola**	KO	61.14	1,056
–0.56	–1.76	–11.60	**Home Depot**	HD	313.18	769
–0.63	–0.67	–4.42	**Nike**	NKE	105.42	637
–1.08	–1.46	–9.62	**JPMorgan Chase**	JPM	133.84	872
–1.54	–2.39	–15.75	**American Express**	AXP	152.50	944
–1.55	–5.97	–39.35	**Goldman Sachs**	GS	379.20	1,011
–1.84	–0.56	–3.69	**Intel**	INTC	29.87	603
–1.86	–3.47	–22.87	**Chevron**	CVX	182.99	1,616
–2.03	–3.60	–23.73	**Boeing**	BA	173.89	864
–2.14	–5.06	–33.35	**Caterpillar**	CAT	231.43	1,146
–2.38	–5.89	–38.82	**Microsoft**	MSFT	241.22	724
–3.38	–3.21	–21.16	**Walt Disney**	DIS	91.80	593
–3.66	–1.51	–9.95	**Walgreens**	WBA	39.75	798
–4.68	–6.22	–40.99	**3M**	MMM	126.76	744
–5.78	–3.07	–20.23	**Dow**	DOW	50.07	914
–6.14	–9.69	–63.86	**salesforce.com**	CRM	148.04	583

*Based on Composite price. DJIA is calculated on primary-market price.
Source: Dow Jones Market Data; FactSet.

Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by Refinitiv on November 18, and year-to-date stock performance of the company

KEY: B: beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **CO:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner **I:** indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range ($) in transaction	$ Value (000s)	Close ($)	Ytd (%)
Buyers									
Nov. 15	**Corsair Gaming**	**CRSR**	A. Bagaria	DOI	2,121	16.50	35,000	17.05	-18.8
Nov. 15			G. Majoros	DOI	2,121	16.50	35,000		
Nov. 16	**ESAB**	**ESAB**	M. Rales	D	500	40.00	20,000	45.70	n.a.
Nov. 9	**Datadog**	**DDOG**	M. Jacobson	DI	297	66.97-67.86	20,000	76.52	-57.0
Nov. 9-11	**NCR**	**NCR**	G. Welling	DI	800	20.63-22.96	17,502	21.94	-45.4
Nov. 11-15	**Element Solutions**	**ESI**	M. Franklin	DI	902	18.96-19.14	17,202	19.14	-21.2
Nov. 11-14	**Six Flags Entertainment**	**SIX**	R. Jaffer	BI	550	22.51-24.44	13,044	22.33	-47.6
Nov. 11-14			A. Ruchim	DOI	550	22.51-24.44	13,044		
Nov. 17	**Ryan Specialty Holdings**	**RYAN**	P. Ryan	CEOI	184	34.57-35.24	6,363	37.51	-7.0
Nov. 16			P. Ryan	CEOI	182	33.80-34.36	6,176		
Nov. 15-17			M. O'Halleran	DI	29	33.59-34.62	1,000		
Nov. 14-15	**Satsuma Pharmaceuticals**	**STSA**	B. Leonard	BI	6,440	.63-.69	4,394	0.65	-85.6
Nov. 14	**Masimo**	**MASI**	J. Kiani	CEOI	32	123.48-124.99	3,967	141.46	-51.7
Nov. 11			J. Kiani	CEOI	8	127.80-130.56	1,006		
Nov. 14	**Cable One**	**CABO**	T. Gayner	DI	5	714.72	3,574	683.35	-61.2
Nov. 11	**Health Catalyst**	**HCAT**	D. Burton	CEO	197	10.14	1,998	9.79	-75.3
Nov. 15	**Cognition Therapeutics**	**CGTX**	A. Fletcher	DI	1,500	1.20	1,800	1.47	-76.7
Nov. 15			L. Kreis	DI	1,500	1.20	1,800		
Sellers									
Nov. 14	**Constellation Brands**	**STZ**	R. Sands	DOI	3,700	239.06	884,522	247.65	-1.3
Nov. 14			R. Sands	DOI	3,700	239.06	884,522		
Nov. 14			A. Bennett	BI	1,233	239.06	294,841		
Nov. 14			Z. Stern	BI	1,233	239.06	294,841		
Nov. 15-17	**DoubleVerify Holdings**	**DV**	R. Noell	DOI	11,500	26.13	300,530	25.80	-22.5
Nov. 10	**HF Sinclair**	**DINO**	C. Holding	BI	1,650	60.60	100,000	63.72	94.4
Nov. 10-11	**M.D.C. Holdings**	**MDC**	D. Mandarich	CEO	1,080	32.15-33.58	35,102	31.41	-43.7
Nov. 14-16	**Marathon Petroleum**	**MPC**	M. Hennigan	CEO	280	118.73-122.71	33,670	121.18	89.4
Nov. 15	**NAPCO Security Technologies**	**NSSC**	R. Soloway	CEO	1,271	24.79	31,519	26.00	4.0
Nov. 9-10	**Paylocity Holding**	**PCTY**	S. Sarowitz	DO	135	196.71-215.05	27,688	207.36	-12.2
Nov. 10	**Roivant Sciences**	**ROIV**	D. Gold	DI	5,656	4.75	26,866	5.00	-50.4
Nov. 10			K. Manchester	UTI	3,923	4.75	18,632		
Nov. 14	**Airbnb**	**ABNB**	J. Gebbia	DOI	250	105.32-108.29	26,740	97.77	-41.3
Nov. 15	**A10 Networks**	**ATEN**	P. Chung	DI	1,500	17.20	25,800	17.63	6.3
Nov. 9-11	**MACOM Technology Solutions Holdings**	**MTSI**	J. Ocampo	DOI	365	66.01-71.03	25,245	69.06	-11.8
Nov. 11	**Linde**	**LIN**	S. Angel	D	74	330.51	24,533	334.91	-3.3
Nov. 10	**Credit Acceptance**	**CACC**	T. Smith	BI	40	482.54	19,301	473.81	-31.1
Nov. 15-16	**Mettler-Toledo International**	**MTD**	O. Filliol	D	13	1395.31-1454.34	18,702	1401.31	-17.4

* Half the transactions were indirect ** Two day transaction
p - Pink Sheets

Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	614,860	38,861,063	**Finance**	7,536,301	138,595,160
Capital Goods	2,125,117	89,957,083	**Health care**	22,106,894	181,307,631
Consumer durables	194,740	81,378,970	**Public Utilities**	26,121	3,807,370
Consumer non-durables	3,095,756	51,767,878	**Technology**	3,545,226	595,508,974
Consumer services	4,268,622	99,424,843	**Transportation**	0	18,548,219
Energy	1,629,950	97,804,426			

Sources: Refinitiv; Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

November 18, 2022

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	Oct. index level	Chg From (%) Sept. '22	Oct. '21
U.S. consumer price index			
All items	298.012	0.41	7.7
Core	299.315	0.29	6.3

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	7.00	7.00	7.00	3.25
Canada	5.95	5.95	5.95	2.45
Japan	1.475	1.475	1.475	1.475
Policy Rates				
Euro zone	2.00	2.00	2.00	0.00
Switzerland	1.00	1.00	1.00	0.00
Britain	3.00	3.00	3.00	0.10
Australia	2.85	2.85	2.85	0.10
Overnight repurchase				
U.S.	3.82	3.78	3.83	0.01

U.S. government rates

	Latest	Week ago	52-Week High	52-Week Low
Discount	4.00	4.00	4.00	0.25
Federal funds				
Effective rate	3.8400	3.8400	3.8400	0.0800
High	4.0500	4.0500	4.1000	0.0900
Low	3.8000	3.8000	3.8200	0.0300
Bid	3.8300	3.8300	3.8300	0.0600
Offer	3.8500	3.8500	3.8700	0.0800
Treasury bill auction				
4 weeks	3.795	3.580	3.795	0.020
13 weeks	4.155	4.120	4.155	0.045
26 weeks	4.440	4.490	4.490	0.065

Secondary market

Fannie Mae 30-year mortgage yields	Latest	Week ago	52-Week High	52-Week Low
30 days	6.005	6.477	6.812	2.480
60 days	6.038	6.529	6.988	2.503

Other short-term rates

	Latest	Week ago	52-Week high	52-Week low
Call money	5.75	5.75	5.75	2.00
Commercial paper (AA financial)				
90 days	4.33	4.24	4.59	0.12
Libor				
One month	3.95671	3.87529	3.95671	0.09038
Three month	4.66486	4.60614	4.67543	0.16400
Six month	5.14271	5.08400	5.15629	0.22938
One year	5.50943	5.45129	5.66643	0.38238
Secured Overnight Financing Rate	3.80	3.78	3.81	0.04

DTCC GCF Repo Index	Latest	Value Traded	52-Week High	52-Week Low
Treasury	3.815	21.888	3.829	0.023
MBS	3.851	22.794	3.873	0.032

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective November 3, 2022. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective November 3, 2022. **Secured Overnight Financing Rate** is as of November 17, 2022. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Cash Prices | wsj.com/market-data/commodities

Friday, November 18, 2022

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Friday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	182.100
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	17.150
Metals	
Gold, per troy oz	
Engelhard industrial	1761.00
Handy & Harman base	1751.60
Handy & Harman fabricated	1944.28
LBMA Gold Price AM	*1764.55
LBMA Gold Price PM	*1758.60
Krugerrand,wholesale-e	1831.52
Maple Leaf-e	1875.34
American Eagle-e	1875.34
Mexican peso-e	2261.09
Austria crown-e	1720.95
Austria phil-e	1840.28
Silver, troy oz.	
Engelhard industrial	21.1500
Handy & Harman base	21.0550
Handy & Harman fabricated	26.3190
LBMA spot price	*£17.7800
(U.S.$ equivalent)	*21.0750
Coins,wholesale $1,000 face-a	21721
Other metals	
LBMA Platinum Price PM	*988.0
Platinum,Engelhard industrial	995.0
Palladium,Engelhard industrial	1995.0
Aluminum, LME, $ per metric ton	*2342.5
Copper,Comex spot	3.6320
Iron Ore, 62% Fe CFR China-s	99.1
Shredded Scrap, US Midwest-s,m	n.a.
Steel, HRC USA, FOB Midwest Mill-s	620
Battery/EV metals	
BMI Lithium Carbonate, EXW China, =99.2%-v,w	80150
BMI Lithium Hydroxide, EXW China, =56.5% -v,w	79525
BMI Cobalt sulphate, EXW China, >20.5% -v,m	8494
BMI Nickel Sulphate, EXW China, >22%-v,m	5480
BMI Flake Graphite, FOB China, -100 Mesh, 94-95% -v,m	765
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	0.7500
Cotton,1 1/16 std lw-mdMphs-u	0.8453
Cotlook 'A' Index-t	*105.40
Hides,hvy native steers piece fob-u	n.a.
Wool,64s,staple,Terr del-u,w	n.a.
Grains and Feeds	
Barley,top-quality Mnpls-u	n.a.
Bran,wheat middlings, KC-u,w	253
Corn,No. 2 yellow,Cent IL-bp,u	6.4800
Corn gluten feed,Midwest-u,w	204.6
Corn gluten meal,Midwest-u,w	666.7
Cottonseed meal-u,w	398
Hominy feed,Cent IL-u,w	208
Meat-bonemeal,50% pro Mnpls-u,w	365
Oats,No.2 milling,Mnpls-u	4.3125
Rice, Long Grain Milled, No. 2 AR-u,w	36.13
Sorghum,(Milo) No.2 Gulf-u	n.a.
SoybeanMeal,Cent IL,rail,ton48%-u,w	435.40
Soybeans,No.1 yllw IL-bp,u	14.0300
Wheat,Spring14%-pro Mnpls-u	12.0150
Wheat,No.2 soft red,St.Louis-u	7.3075
Wheat - Hard - KC (USDA) $ per bu-u	9.8925
Wheat,No.1soft white,Portld,OR-u	8.9750
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	234.24
select 1-3,600-900 lbs.-u	209.65
Broilers, National comp wtd. avg.-u,w	1.2459
Butter,AA Chicago-d	2.8100
Cheddar cheese,bbl,Chicago-d	192.75
Cheddar cheese,blk,Chicago-d	223.25
Milk,Nonfat dry,Chicago lb.-d	142.75
Coffee,Brazilian,Comp-y	1.5891
Coffee,Colombian, NY-y	2.1438
Eggs,large white,Chicago-u	3.7150
Flour,hard winter KC-p	24.40
Hams,17-20 lbs,Mid-US fob-u	1.10
Hogs,Iowa-So. Minnesota-u	85.60
Pork bellies,12-14 lb MidUS-u	1.4042
Pork loins,13-19 lb MidUS-u	1.1156
Steers,Tex.-Okla. Choice-u	151.08
Steers,feeder,Okla. City-u,w	185.25
Fats and Oils	
Degummed corn oil, crude wtd. avg.-u,w	68.0000
Grease,choice white,Chicago-h	0.7250
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u,w	0.7649
Tallow,bleach;Chicago-h	0.7400
Tallow,edible,Chicago-u	n.a.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 11/17

Source: Dow Jones Market Data

LEVI MANDEL FOR THE WALL STREET JOURNAL

The site of a building FTX had planned on the island of New Providence in the Bahamas.

Bahamian Regulator Says It Froze FTX Unit's Assets

Securities commission appoints a provisional liquidator for Digital Markets unit

By Alexander Gladstone

The **Securities Commission of the Bahamas** said that it froze the assets of **FTX Digital Markets** Ltd. and related parties on Thursday, and that it appointed a provisional liquidator.

FTX Digital Markets, based in the Bahamas, is a subsidiary of cryptocurrency exchange **FTX Trading** Ltd., led by founder Sam Bankman-Fried.

The powers of the directors of FDM have been suspended and no assets held by the firm can be transferred without the provisional liquidator's approval, the commission said.

The commission said that it is aware of statements suggesting that clients' assets were mishandled, mismanaged or transferred to **Alameda Research**, a trading firm also run by Mr. Bankman-Fried.

Any such actions would be "contrary to normal governance, without client consent, and potentially unlawful," the commission said in a statement.

The Wall Street Journal reported on Thursday that FTX had lent billions of dollars in customer assets to fund risky bets by Alameda Research.

The Securities Commission of the Bahamas determined that the prudent course of action was to put FDM into provisional liquidation to preserve assets and stabilize the company, according to the statement.

Earlier Thursday, Mr. Bankman-Fried said on Twitter that "one way or another, Alameda Research is winding down trading."

FTX didn't respond to a request for comment.

Creditors Are Due $3.1 Billion

Continued from page B1

ties that directly filed for bankruptcy protection or is considered restricted cash, meaning others may lay claim to it.

The cryptocurrency exchange imploded this month after its chaotic finances spilled into public view. Prosecutors are investigating its collapse. The company's founder, Sam Bankman-Fried, resigned as CEO on Nov. 11, when FTX filed for bankruptcy.

FTX said it would look in coming weeks to preserve or sell what businesses it can as part of strategic review of the company's global assets to "maximize recoverable value for stakeholders," the statement said. The company hired investment bank **Perella Weinberg Partners** LP to spearhead the sale of different business units and subsidiaries.

FTX said it doesn't yet know the total amount of cash that the crypto exchange or its related entities hold because of "historical cash management failures and the deficiency of documentation controls," one of the Saturday filings to bankruptcy court said. As of Nov. 16, the filing said, the company had been able to verify the balances in only some of the bank accounts held at 36 banks worldwide.

FTX said the company was seeking to locate additional bank accounts by "reviewing the available books and records, speaking with bank personnel and interviews with employees."

The filing said that entities including FTX EU Ltd. and West Realm Shires Services Inc.—which includes the business known as FTX US—have some of the largest verified account balances so far. To date, FTX's new management team has verified $49.3 million of total cash for FTX EU and $48.1 million for West Realm Shires Services.

The efforts by FTX's new management to track down assets has been further complicated in recent days by a dispute with securities regulators in the Bahamas for control of FTX's insolvency proceedings.

Last week, FTX said in court papers, citing purported texts by Mr. Bankman-Fried, that it appears regulators in the Bahamas instructed him to transfer assets from the exchange to a digital platform controlled by local government officials.

The Securities Commission of the Bahamas, the lead local authority investigating FTX's collapse, said last week that it directed the transfer of all digital assets of FTX's Bahamas subsidiary, FTX Digital Markets Ltd., "to a digital wallet controlled by the Commission, for safekeeping."

The movement of hundreds of millions of dollars from FTX accounts in the early hours after the exchange filed for bankruptcy sparked fears of a hack. It remains unclear if and how much of the funds moved went to Bahamian custody or were taken by an unauthorized actor.

—Caitlin Ostroff and Vicky Ge Huang contributed to this article.

Watch a Video

Scan this code for a video on how the collapse of FTX hit employees.

Deputy Played Key Role

Continued from page B1

Ms. Ellison has been fired along with Gary Wang and Nishad Singh. They were also top deputies of Mr. Bankman-Fried's.

Before the crash, Mr. Bankman-Fried hugged the spotlight, promoting crypto and lobbying for its interests in Washington, while Ms. Ellison remained in the engine room. Alameda, a trading firm owned almost entirely by Mr. Bankman-Fried, had one overarching purpose: Make money. Ms. Ellison was tasked with keeping it running.

In a handful of podcasts and other public appearances, Ms. Ellison was quick to summarize her rapid ascent as almost accidental. She joined Wall Street straight from graduating Stanford University in 2016, though the move was less a calling than an answer to the question she found herself asking in college: What are math majors supposed to do with their lives, anyway?

It was at her first job, at quant-trading powerhouse Jane Street Capital, that she met another 20-something trader, Mr. Bankman-Fried. Like her, he had been raised by two professors. Like her, he spoke highly of a movement called "effective altruism," or the idea of making big money to give away.

When Mr. Bankman-Fried left to start Alameda, Ms. Ellison soon followed in what she called "a blind leap into the unknown." She was still barely out of college—but she was also one of the more experienced traders there, she said in an FTX podcast in 2020.

Ms. Ellison grew up in the Boston suburbs, daughter of two MIT economists. At 5, she read the second "Harry Potter" book to herself, she said on the podcast. At 8, she wrote an analysis of stuffed-animal prices, according to Forbes. Her father, inspired by his daughters, wrote advanced-math textbooks for children bored by basic lessons.

She and Messrs. Bankman-Fried, Wang and Singh comprised the board of what they called the Future Fund, with the goal of making grants to nonprofits and investments in "socially impactful companies." Critics say the effective altruism worldview can encourage excessive risk taking—since people can always argue that bigger paydays lead to bigger donations.

Messrs. Bankman-Fried, Wang and Singh all owned stakes in at least some of the FTX companies, according to a filing in bankruptcy court by the new CEO.

At times, Ms. Ellison and Mr. Bankman-Fried were romantically involved, The Wall Street Journal previously reported.

When Ms. Ellison arrived at Alameda, she was surprised at how it made even fast-paced Jane Street look slow. "It was like, wow, the process for doing things is just someone suggests something and then someone codes it up and releases it," she said in the FTX podcast. "An hour later and it's already happened."

Everything in Mr. Bankman-Fried's orbit seemed to move at the same breakneck speed. He launched an Alameda sister firm, FTX, in 2019, and it took just a few years for it to become one of the biggest crypto exchanges in the world. For a while, Mr. Bankman-Fried was CEO of both companies.

Use of stimulants was common among his upper echelon, the Journal previously reported.

"Nothing like regular amphetamine use to make you appreciate how dumb a lot of normal, non-medicated human experience is," Ms. Ellison tweeted last year.

Alameda and FTX had employees in both Hong Kong and the Bahamas. Ms. Ellison, like Mr. Bankman-Fried, had recently been working from the Bahamas much of the time, according to a person familiar with the matter.

Among Alameda's trading strategies was arbitrage—buying a coin in one location and selling it elsewhere for more. FTX, meanwhile, emerged as a key marketplace for investors large and small to buy and sell crypto. As a major player in digital currencies, Alameda traded frequently on FTX's platform.

Around 2020, Alameda began "yield farming," investing in tokens that pay interest-rate-like rewards. At first, Ms. Ellison pushed back. In an FTX podcast in early 2021, she recalled arguing about whether the firm should engage, and said she had concerns about the riskiness. "I lost that argument," she said in the podcast.

Over time, Alameda's aggressive trading strategies relied more on intuition and indicators like Elon Musk's social-media posts, according to tweets in 2021 by Sam Trabucco, then another rising star at Alameda.

By fall 2021, cryptocurrency prices were approaching their all-time high and FTX was celebrating its recent deal for the naming rights of the University of California, Berkeley's football stadium. Mr. Bankman-Fried named Ms. Ellison and Mr. Trabucco as co-CEOs to run Alameda so he could focus on FTX. They inherited a 25-person operation, according to Alameda's news release at the time.

Behind the scenes, Alameda was far from immune from the shakeout.

Though Mr. Bankman-Fried was no longer CEO, Alameda was still his company, too. According to FTX's bankruptcy filings, he owned 90% of the trading firm. Mr. Wang owned the other 10%.

By early 2022, digital currencies were in free fall. Many of the industry's biggest investment and lending firms began to buckle, then give way. As panic swept through the crypto world, Mr. Bankman-Fried sought to appear as a rescuer, buying out some troubled firms and extending credit to others to help stabilize the market.

Behind the scenes, Alameda was far from immune from the shakeout. Mr. Bankman-Fried's vaunted trading firm was getting margin calls, too.

In August of this year, Mr. Trabucco said he was stepping down as co-CEO. In a lengthy Twitter thread, he said working at Alameda had been "difficult and exhausting and consuming."

By early November, the spotlight that Mr. Bankman-Fried so often courted began to reveal his companies' troubles. A CoinDesk report raised concerns about the financial health of Alameda and FTX. Changpeng Zhao, head of rival exchange Binance, tweeted that his firm would dump its holdings of FTT as a risk-management move. FTT is a digital currency of FTX.

As Mr. Zhao and Mr. Bankman-Fried sparred over Twitter, Ms. Ellison tried to cool the fire. "If you're looking to minimize the market impact on your FTT sales, Alameda will happily buy it all from you today at $22!" she tweeted, tagging Mr. Zhao. A few minutes before, FTT had traded around $22.15, according to CoinDesk data.

When asked on Twitter why Ms. Ellison had made the offer, Mr. Bankman-Fried replied, "I mean that's up to her to answer, but they said they were worried about impact which this would solve for them, and this is just quicker and easier." Binance contacted her about the offer but never heard back, the Journal reported.

Ultimately, the close ties between Alameda and FTX were their undoing. FTX used customer money to lend billions of dollars to Alameda for risky trades and investments, according to previous reporting by the Journal. In traditional finance, regulators require brokerages to segregate customer funds from any capital they use for trading.

In the video meeting in early November, held late in the evening Hong Kong time, Ms. Ellison told employees that FTX used customer money to help Alameda meet its liabilities, the Journal previously reported. She apologized and said that she had disappointed the staff, the Journal reported. By then, the companies' financial problems had spilled into public view, but the companies hadn't yet filed for bankruptcy,

Ms. Ellison also told employees that she, Messrs. Bankman-Fried, Singh and Wang were aware of the decision to send customer money to Alameda.

Many Alameda employees quit the next day, the Journal reported.

—Dave Michaels, Alexander Osipovich, Elaine Yu and Mark Maremont contributed to this article.

THE TICKER | MARKET EVENTS COMING THIS WEEK

Monday

Earnings expected (Estimate/Year Ago)

Agilent Technologies	**1.38**/1.21
Dell Technologies Class C	**1.60**/2.37
J.M. Smucker	**2.18**/2.43
Jacobs Solutions	**1.77**/1.58
Maximus	**0.70**/0.83
Zoom Video Communications Class A	**0.83**/1.11

Tuesday

Earnings expected (Estimate/Year Ago)

Analog Devices	**2.58**/1.73
Best Buy Co.	**1.03**/2.08
Dollar Tree	**1.18**/0.96
HP	**0.84**/0.94
Medtronic	**1.28**/1.32
VMware Class A	**1.59**/1.72

Wednesday

Durable Orders

Sep., previous	up 0.4%
Oct., expected	up 0.4%

EIA status report (Previous change in stocks in millions of barrels)

Crude-oil stocks	down 5.4
Gasoline stocks	up 2.2
Distillates	up 1.1

EIA report: natural-gas (Previous change in stocks in billions of cubic feet)

up 64

Initial jobless claims

Previous	222,000
Expected	225,000

Mort. bankers indexes

Purch., previous	up 4.0%
Refinan., prev.	down 2.0%

U.Mich. consumer index

Nov., prelim	54.7
Nov., final	55.1

New-home sales

Sep., previous	603,000
Oct., expected	572,000

Earnings expected (Estimate/Year Ago)

Deere & Company	**7.12**/4.12

Thursday

U.S. Stock and Bond Markets closed for Thanksgiving Day

Friday

U.S. Stock and Bond markets close early

Short-selling reports (Ratio, days of trading volume of current position, at Oct 31)

NYSE	3.5
Nasdaq	2.6

* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ◆ Adjusted for stock split

Note: Forecasts are from Dow Jones weekly survey of economists

MICHAEL REYNOLDS/EPA/SHUTTERSTOCK

Retailer Best Buy is scheduled to report a decline in quarterly per-share earnings on Tuesday. A store in Alexandria, Va.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Don’t Skip DoorDash’s Side Dishes

Investors are finally excited about growth again but not just in restaurant delivery

After a sour year during which **DoorDash** lost nearly three-quarters of its market value, shares of the delivery platform are up a sweet 28% over the past month. That might not just be because investors are suddenly hungry for on-demand takeout again.

With restaurant delivery slowing, DoorDash is getting credit for the groceries and convenience items it delivers on the side—services that are sinking some more pure-play competitors. Grocery deliverer Instacart has cut its own valuation by two-thirds since early last year, down to around $13 billion from $39 billion, according to the Information, a news publication. Last month The Wall Street Journal reported that Instacart likely shelved its plans for an initial public offering until next year, suggesting the current market might value the company much lower even after its most recent internal cut.

It isn’t going much better for rapid-delivery company Gopuff, which according to Bloomberg has laid off almost 2,000 employees in recent months and has suspended its public-offering plans this year, owing in part to the broader tech selloff. While the company was valued at $15 billion last year, the Journal reported that at least one investor marked down the value of its stake by nearly half as of June.

Yet DoorDash’s ancillary businesses appear to be thriving. The company said its marketplace gross order value for its nonrestaurant categories grew by 80% in the third quarter compared with a year earlier. Within those categories, its grocery-delivery business more than doubled.

While the comparison isn’t apples to apples, Instacart increased total revenue by just 40% in its latest quarter, even including its fast-growing ad business. Gopuff has boosted its orders by 45% this year through mid-August from the same period a year earlier, according to recent Journal reports.

It isn’t as though DoorDash is spending wildly to achieve those results, either. Bloomberg reported that Gopuff burned around $700 million of cash last year. Meanwhile, DoorDash’s latest disclosures regarding contribution profit suggest that it invested around $175 million last quarter outside of its U.S. restaurant business—about $700 million on an annualized basis, but across all its ancillary verticals.

ANDREW KELLY/REUTERS

DoorDash delivers groceries and convenience items as well as restaurant food.

Some of DoorDash’s outperformance likely has to do with its relatively smaller base. In grocery delivery, for example, DoorDash’s order volume is around 50% of Instacart’s, YipitData estimates, with an average order value that is less than half its competitor’s.

DoorDash’s relatively smaller basket sizes in both grocery and convenience suggest these businesses are being used by its customers in a somewhat different way that might just lead to more-sustainable growth. An average grocery order size of under $50, for example, means customers are likely using DoorDash’s service for top-off items during the week. By contrast, the $100-plus average order size on Instacart suggests that the service is being used as a replacement for a main grocery run. DoorDash’s specialty seems an easier sell: Rather than paying up to forgo in-store food shopping altogether, existing users can use the service to avoid extra trips to the grocery store.

DoorDash’s grocery and convenience businesses are still young, having launched broadly in 2020. As of December last year, just 14% of users had tried its nonrestaurant verticals.

Thus far, DoorDash’s ancillary businesses haven’t moved the needle much—overall revenue growth was 33% in the third quarter, including foreign exchange.

While that is in line with growth of Uber Technologies‘ more-global delivery business on a constant-currency basis, YipitData suggests that DoorDash is already well ahead of Uber in terms of its grocery and convenience businesses in aggregate. About 40% of DoorDash’s more than 25 million monthly users are already paying for a DashPass membership that generally includes delivery.

Even as food delivery cools, DoorDash looks poised to deliver.

—Laura Forman

Chip Outlook Depends on Tech Giants Not Cutting Too Deeply

In what has been a confusing week for the chip industry, one thing is clear: Its near-term fate may be in the hands of the same tech giants that are under a lot of pressure to slash their own costs.

Quarterly results from **Nvidia** and a production cut warning from **Micron**, both on Wednesday, seemingly painted two different pictures. Nvidia managed to beat Wall Street’s estimates for its key data center and videogames businesses while also sounding an optimistic note for 2023, because of new products for both segments. Micron, on the other hand, says it plans to slash production in order to produce less DRAM memory next year than it will this year, as part of an effort to address oversupply caused by the rapid deterioration of major chip markets such as PCs and smartphones.

Morgan Stanley’s Joseph Moore, who has covered Micron for more than a decade, called the move “unprecedented” in a note to clients.

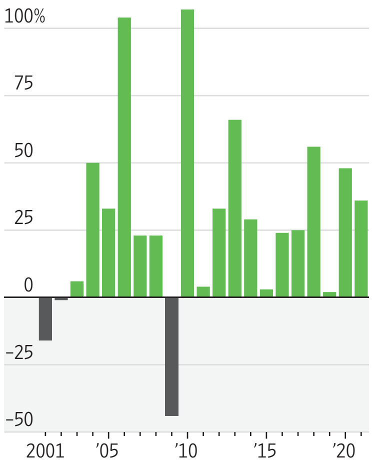
Taken together, the updates from both companies show the chip industry is still mired in a major slowdown, with the timing of a recovery unclear. Nvidia’s gaming segment revenue plunged 51% from a year earlier as the company is still working through an inventory glut, while its data center segment growth of 31% year-on-year was nearly half the growth rate of the previous quarter. Both aren’t expected to see much improvement in the company’s fiscal fourth quarter ending in January.

Rather, Nvidia is banking on new chips to power a revival next year. Of particular import is a graphics processor called Hopper that is designed for artificial intelligence computing in data centers.

Nvidia Chief Executive Officer Jensen Huang said on Wednesday that the company is planning to ship “large volumes” of the chip in the first quarter, adding that “customers are clamoring to ramp Hopper as quickly as possible.” This is important because data centers have finally overtaken gaming to become Nvidia’s largest segment; analysts expect data center revenue to top $15 billion in the current fiscal year compared with about $8.8 billion for gaming.

But the overall data center market depends in large part on the continued willingness of the biggest tech companies to keep shelling out many billions a year in capital expenditures. And that is far from certain given that they are all now working to bring down their own costs.

Amazon, Microsoft and Google’s combined annual capital expenditures, change from year earlier



Source: S&P Global Market Intelligence

Amazon Chief Executive Andy Jassy said Thursday that the company is planning cuts for next year; about 10,000 employees of the company’s corporate operations are expected to be affected.

Microsoft has initiated a smaller number of layoffs and is taking further actions to cut spending. Google-parent **Alphabet** has signaled plans to watch its spending and has been targeted by an activist investor this week seeking substantial job cuts at the search giant. The three run the largest public cloud services, and have spent a combined $120.6 billion in capex over the past four quarters.

Then there is Facebook parent **Meta Platforms**, which ramped up spending sharply over the past year to power its transition into a “metaverse company.” That, along with a slowdown in online advertising, sparked an investor revolt that has taken more than two-thirds off the company’s once $1-trillion market capitalization since the plan was first announced. The company announced layoffs last week affecting about 11,000 employees, along with plans to trim the midpoint of its planned capex range for 2023 by $1 billion.

Operating expense cuts don’t always mean capex cuts. But while Facebook wasn’t around as a public company for the last major U.S. recession following the global financial crisis, Amazon, Microsoft and Google were, and all three showed a propensity to scale back capex. When the crisis hit in 2007, capex growth at each slowed considerably compared with the previous year, and combined capex for the three averaged 1% annual growth for the three-year period ranging from 2007 to 2009 compared with an average of 62% annual growth for the three-year period right before, according to data from S&P Global Market Intelligence.

Micron’s move to cut production also may ironically reflect a bet on Big Tech. Tim Arcuri of UBS says cloud giants have ended up with excess memory in their inventories and have thus been cutting back on orders. But he says Micron cutting production next year should result in price jumps once the inventory is consumed, especially with new memory-hungry processing chips from suppliers such as Nvidia on the way. “There’s a big step up in DRAM consumption for servers that the cloud guys have to buy next year,” Mr. Arcuri said. “If they wait too long, prices are going to go the other way on them pretty hard.” One only hopes that big tech is still in a spending mood by then.

—Dan Gallagher

MARKETS

Crypto Bank Silvergate Battles FTX Contagion Fears

By David Benoit

Earlier this month, **Silvergate Capital** Corp. gathered its staff to celebrate its transformation into the go-to bank for the crypto market. Then the crypto market blew up.

The collapse of crypto exchange FTX has raised questions about how close the bank was to the empire of Sam Bankman-Fried. The price of Silvergate’s stock has been cut in half this month and is down nearly 90% over the past year.

Silvergate has issued multiple statements and preannounced some results to reassure investors of its stability. It said it had capital to handle withdrawals and had no loans outstanding to FTX or Mr. Bankman-Fried. The bank disclosed that its deposits were down, but that volume on its network for crypto investors had risen. It says it still has no losses on bitcoin-backed loans. But the stock has continued to plunge.

“This is a fundamental misunderstanding as to the role that Silvergate plays,” Chief Executive Alan Lane said on CNBC on Friday.

The market is asking a bigger question: What happens to a bank that has remade itself from a small commercial lender into a middleman of the crypto world if the crypto world collapses?

On Friday, crypto-trading platform FalconX told its customers it was no longer using Silvergate. FalconX said the elevated risk in the crypto market required extra caution and told customers its decision was “consistent with other market players.”

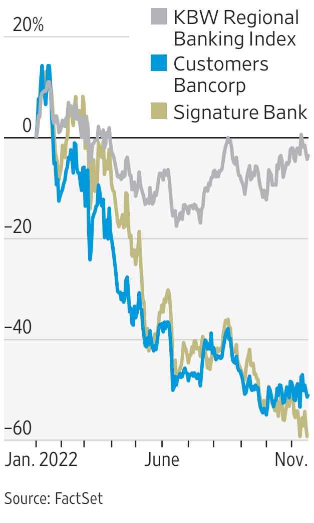
“You now have a situation where Silvergate is being viewed as being vulnerable because of the central role it plays within the system,” said BTIG analyst Mark Palmer. Silvergate shares are now trading at levels that imply “a very dire scenario,” he said.

Short bets against Silvergate have doubled this year. It is the second-most heavily shorted regional bank, based on percent of shares outstanding, according to data from S3 Partners. (The most shorted bank has a pending merger, and betting against it is part of an arbitrage strategy.)

Other banks that hold assets for crypto clients, including Signature Bank and Customers Bancorp Inc., haven’t been hit as hard. Signature is down 17% this month, while Customers has fallen 4.5%. Both have a more diverse mix of businesses that are less dependent on crypto companies.

Signature said its exposure to FTX was small, while Customers said it had no exposure. Both said their deposits are stable.

Share-price and index performance



Source: FactSet

Silvergate Capital share price, past two years

Silvergate is known as an on-ramp to cryptocurrency exchanges. It helps institutional investors move dollars into and out of crypto-trading platforms through its Silvergate Exchange Network, which links the bank accounts of investors and exchanges.

A decade ago, it was a commercial real-estate lender with a handful of branches in the San Diego area. Today, some 90% of its total deposits are tied to cryptocurrency clients. It has shed branches and has shrunk its lending book. It doesn’t hold cryptocurrencies, only dollars.

As FTX imploded, investors sold down the bank’s stock, worried about deposits fleeing.

Silvergate said that it only held FTX deposits and that it had no other lending or investment exposures. It said it now has $9.8 billion in digital deposits, down by $2.2 billion, including removing all of the FTX deposits, since the end of the third quarter.

FTX held some deposits at Silvergate in what’s known as an omnibus account—meaning the assets belonged to FTX customers. It was FTX’s responsibility to keep a ledger tracking the underlying customer assets, a common setup for firms that aren’t banks themselves.

The Wall Street Journal has reported that FTX used customer assets to help fund its related trading operation, Alameda Research. Short sellers on Twitter and social media have asked questions about what Silvergate could have seen or should have flagged about movements between the two.

Silvergate wouldn’t have had visibility into the omnibus account to know whether FTX or its underlying customers were moving assets, people familiar with the relationship said. FTX has halted withdrawals, and Silvergate has told customers it cannot take direct requests to withdraw from the FTX accounts. Bank monitoring looks for transactions that fall outside a client’s expected patterns, which could be complicated by FTX and Alameda’s wide overlap.

Even if the FTX deposits do all leave, the bank says it is structured to protect itself from huge outflows. It holds almost all its assets in highly liquid securities like Treasurys, which it says can be quickly sold or borrowed against.

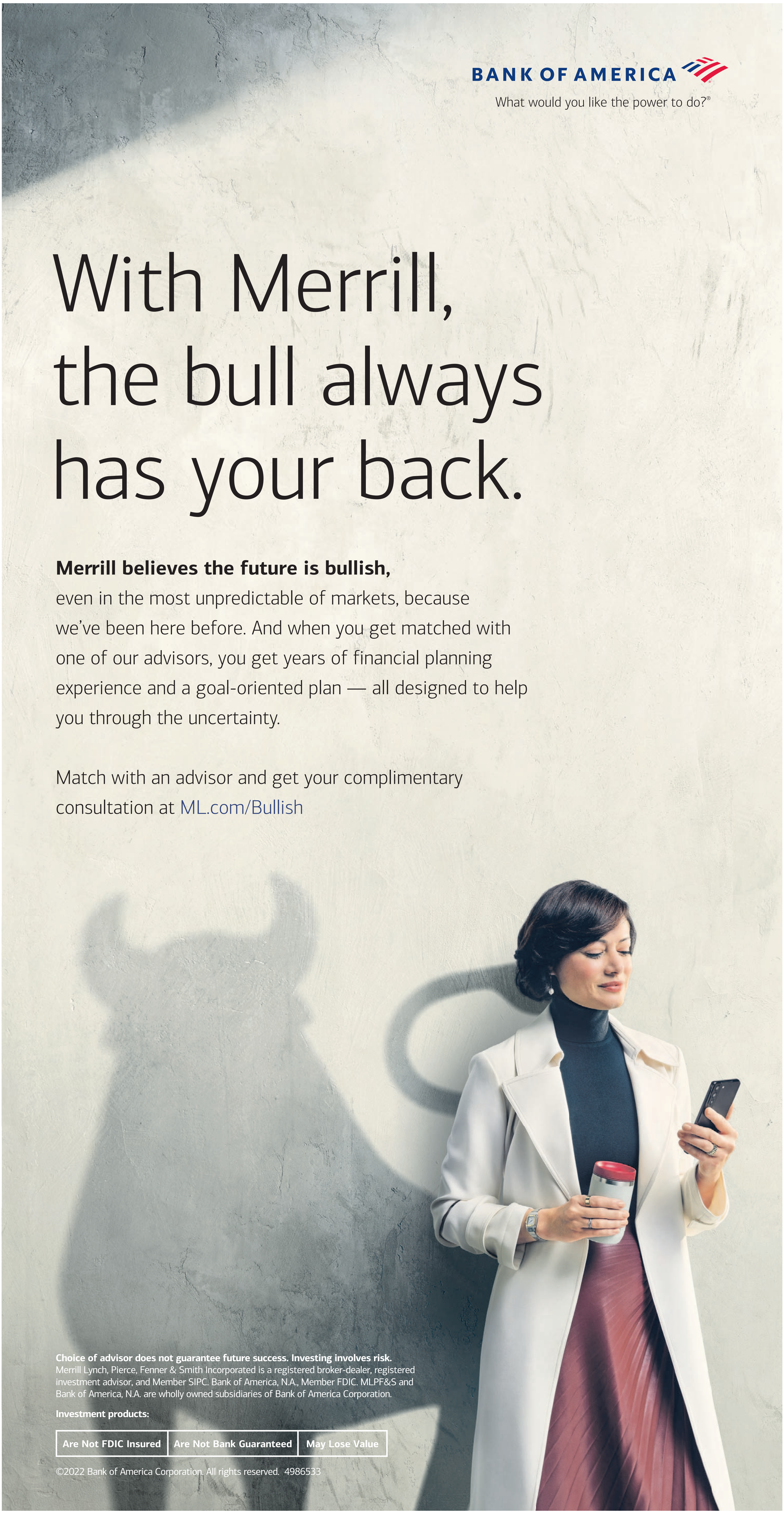
“No bank in the world can honor every deposit held on its balance sheet with cash, although Silvergate might be the closest, in our view,” KBW analyst Michael Perito wrote.

Silvergate had other plans for this month. It had gathered all its staff in California for the first time since the pandemic, people familiar with the bank said. On Nov. 7, it announced it had promoted Ben Reynolds, its crypto-industry point man, to president. It also named a new chief risk officer.

Instead of celebrating, executives found themselves answering calls and watching rumors swirl on Twitter about a potential run on the bank, the people said. They focused on making sure the network was working properly.

Average daily volume on the network has risen to $1.9 billion so far this quarter from $1.2 billion last quarter, the bank said.

“After [third-quarter] earnings, we posed the question: ‘Is the worst behind them?’ ” Bank of America analysts wrote in downgrading the stock. “We were wrong.”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THE WALL STREET JOURNAL.

THE SMARTEST WAYS FOR COMPANIES

TO HANDLE PRODUCT RETURNS

With returns way up over the past couple of years, companies are looking for that sweet spot—making it easy for their customers, without seeing their costs skyrocket

KIERSTEN ESSENPREIS

BY SUMAN BHATTACHARYYA

FOR many companies, few topics are more unpleasant to think about than product returns. And few topics are more crucial to the bottom line.

To understand why, consider this: From 2019 to last year, the rate of returns in the U.S. more than doubled to some 16.6% of retail sales—meaning $761 billion of goods were returned in 2021, according to the National Retail Federation and Appriss Retail. At the same time, returns are becoming more costly, with shipping and labor costs rising.

So companies have every reason to make returns more difficult. Except for one thing: the consumer.

"Customers value the ability to return something so much that it might change their willingness to purchase, and it might affect... future engagement with the company," says Andrew Petersen, associate professor of marketing at Pennsylvania State University. "There's an optimal balance between what product returns can do for you from a customer perspective, and then what they cost you from an economic perspective."

A study of 1,161 U.S. customers by retail-technology firm Narvar two years ago found that a third of repeat consumers said they wouldn't buy again from a retailer where they had a difficult product-return experience.

So the goal for companies is a tricky one:

Please turn to page R4

I Love Using Technology—but I Hate Buying It

Tech companies make it hard to try out, purchase, fix and stop using their products. It shouldn't be that way.

BY ALEXANDRA SAMUEL

LET me say right up front: I love technology. It thrills me to try out the latest apps and gadgets, to be one of the first people I know to take advantage of a nifty new feature and admire some shiny interface.

But as much as I love using technology, I hate buying it. Even the best products can leave us frustrated if they are hard to buy, learn or stick with.

What I wish is that tech companies would stop focusing so narrowly on what it's like to use the product, and think more about the bigger picture of customer experience. I want tech companies to work hard to *earn* my interest (and my dollars). I want them to go the extra mile once they've got my business, instead of ignoring me as soon as I make my commitment to them. And I want them to allow us to have a graceful and mature breakup when the time comes.

Here's what that looks like:

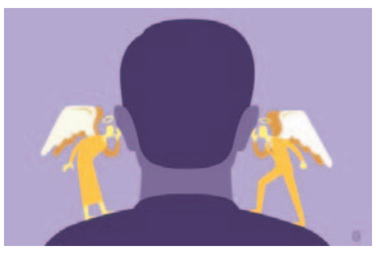
Make my free trial really free and not such a trial. I want a no-strings-attached free trial, with a full set of features. Too many software com-

Please turn to page R2

Inside

THE ETHICAL CASE

To sway consumers who take a moral stand, make a moral argument back to them. **R3**



Scan this code to learn about Mastodon, an alternative for half a million users looking to leave Twitter.

Game Change

Wearable medical devices are a new world of self-empowerment for users. **R5**

TOO EASY

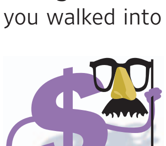
What we lose when companies eliminate human interactions from the process of buying things. **R6**

I Love Tech, But Hate to Buy It

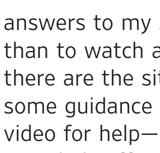
Continued from page R1

panies use the free trial to get a credit-card number that they keep charging—and then they make it hard to unsubscribe. Others offer a free trial with such limited features that you have to pay for the full version before you can get a feel for whether the app will actually work for you. Just give me the full app for 7 or 14 or 30 days, and then let me buy it once I know I want to use it.

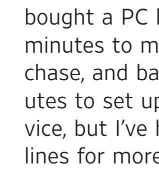
Straightforward pricing. Imagine if you walked into a clothing store, tried on a suit and then asked the price—only to be quoted a monthly rental price, with no option to buy. Then you get to the checkout and discover you only get that monthly price if you pay for a whole year's worth of suit-wearing up front. And then when you pay your annual fee and get the suit home, you discover you have to pay extra if you want the pants as well as the jacket. That is pretty much the experience of buying an awful lot of software and online services: You are pitched on a monthly price that is only available if you prepay for a year. And if you want to just actually buy and own your software, you're out of luck. Please, just let me know how much it's going to cost to use this piece of software, and let me decide if I want to "date" (by paying for a month at a time) or get married (by making a long-term purchase).



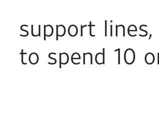
Tell, don't show. I hate using gadgets or apps that only provide video documentation. It's much faster for me to read a few pages of getting-started info (or better yet, to look up specific answers to my specific questions) than to watch a video. And then there are the situations where I need some guidance but can't watch a video for help—like if I'm in a crowded coffee shop, but forgot my headphones. Every single tech product should come with a quick-start guide in text form, so that a user can get up and running with a page or two of reading. It's fine if you need to go digging through user forums for higher-level how-tos, and it's great if you also provide your quick-start guide in video form for people who prefer to watch a short movie. But please, provide your 101 guide in text form, too.



Support like you sell. So many tech companies are great at reeling customers in, only to subject us to complicated and time-consuming processes when we need tech support. The last time I bought a PC laptop, it only took five minutes to make the online purchase, and barely more than 20 minutes to set up my home internet service, but I've had to wait on help lines for more than an hour just to get my call picked up. Treat your speedy sales process as the standard and hire enough customer-support people to make it just as quick to get a little help.

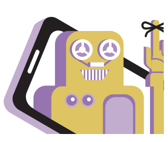


Just give me a human. I count myself lucky when there is a support line to call; too often, the only tech-support option is self-serve, online documentation or some kind of chatbot. Even with support lines, you sometimes have to spend 10 or 20 minutes proving yourself to a robot before you get to a human. If you're going to sell me an app or service I depend on, you owe it to me to pick up the phone when I call.



Let me get tech support at my level. As a skilled user, I've already done the basic troubleshooting steps before I reach out to tech support—so let me skip past the entry-level tech-support folks who only know how to run me through the how-tos I've already read online. My less techie friends are just as frustrated by support lines that assume they can speak geek: They need support people who skip the jargon and assume no baseline level of tech knowledge. If you're going to put us through a voice-response system before we get to tech support, how about some skill-testing questions? Two or three basic multiple-choice questions would make it easy to assess incoming callers and direct them to support staff that are appropriate to their needs.

Remember me. If I'm having a tech-support issue that requires more than one support person or call, please don't make me tell my story all over again every time you switch me to a new person. Any half-decent customer-care system should allow your support team to read the notes from the last call and pick up where we left off—but that rarely happens. I will do my best to turn the story of my broken calendar app into a lively and exciting narrative, but honestly, by the time I am telling this story to a fourth tech-support person, I will be hard-pressed to stay courteous, let alone entertaining.



6

The average number of tech items that consumers said they bought unassisted in the past 10 years that didn't do what they thought they would

77%

of tech consumers said they would prefer to speak to a real-life adviser in-store before a tech purchase if it gets them to the right product more quickly

28%

of consumers said technical jargon and language make shopping for and buying tech products overwhelming

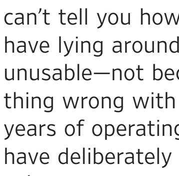
1 in 3

consumers said they would walk away from a brand they love after just one bad experience

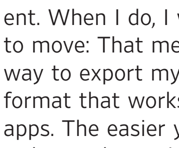
Sources: Currys/Atomik Research 2021 U.K. survey; PricewaterhouseCoopers 2018 survey (1 in 3)

Give me upgrade options. If I buy a $200 computer monitor, I know it isn't going to last forever and it might be just a few years before it no longer plugs into the latest PC. If I buy a $2,000 computer, on the other hand, I expect to have some options for expanding its storage space—and maybe even for improving other aspects of its performance. Unfortunately, more manufacturers are making "closed box" systems that prevent customers from making any improvements, or even basic repairs. The obvious message: You want an improvement? Buy a new one!

Go the distance. I don't want to replace every gadget in my home every two or three years. But hardware and software makers love to box us into a corner where it's upgrade or die. I can't tell you how many tablets I have lying around that are basically unusable—not because there's anything wrong with them, but because years of operating-system upgrades have deliberately rendered them obsolete.



Give me an off-ramp. A hardware or software purchase shouldn't have to be a lifetime commitment. I might love using your product for 5 or 10 years, but I eventually need something different. When I do, I want it to be easy to move: That means giving me a way to export my data, in a standard format that works with lots of other apps. The easier you make it for me to leave, the easier it is for me to start using your app in the first place—because I know I'll be able to hold on to my work and my data if things don't work out.



Dr. Samuel is a technology researcher and co-author of "Remote, Inc.: How to Thrive at Work...Wherever You Are." Email her at reports@wsj.com.

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When Scientific Claims Backfire in Marketing

Researchers find that people are less likely to buy goods associated with pleasure or indulgence if they are described as being scientifically formulated

BY ANNE KADET

Marketers have long used science claims to sell consumer products ranging from shampoo to sound systems. But new research shows that if the product being sold is associated with indulgence or pleasure—say, a sweet dessert—scientific claims can actually backfire.

"When consumers are presented with a really indulgent product, like a chocolate-chip cookie, they really don't like it if science has been invoked in the marketing appeal for that cookie," says Aviva Philipp-Muller, an assistant professor of marketing at the Beedie School of Business at Simon Fraser University in British Columbia and the lead researcher on a new series of studies published in the Journal of Consumer Research.

"If it's described as being scientifically developed or scientifically formulated, consumers are less interested in that product," Dr. Philipp-Muller says. "They're less likely to choose it, less willing to pay for it and less interested in purchasing it in general."

In one study, more than 500 participants were told that researchers had joined with a baked-goods company to examine interest in different cookies. One group of participants was presented with three cookie choices described this way: "Option A—Luscious chocolaty taste," "Option B—Our most scrumptious cookie," or "Option C—Loads of ooey-gooey chocolate chunks." A second group of participants was presented with the same set of cookies but with one difference: The first cookie was listed as "Option A—Scientifically developed to have a luscious chocolaty taste."

The researchers found that 30% of participants selected Option A when it was described as having a "luscious chocolaty taste." But when the scientific claim was added to Option A, it was selected by just 21% of study participants.

A second study examined what price more than 900 study participants would be willing to pay—on a scale of $0 to $20—for a case of cookies from Zoza, an imaginary brand. They were shown a picture of a tasty-looking cookie accompanied by a slogan. Participants who saw the slogan "We ensure that Zoza cookies taste delicious, indulgent, and gooey" said they were willing to pay, on average, $9.97 for a case. Participants who saw the slogan "Our rigorous scientific development process ensures that Zoza cookies taste delicious, indulgent, and gooey" were willing to pay just $9.04 on average.

What's going on? Science is seen as cold, unfeeling and at odds with pleasure, says Dr. Philipp-Muller: "Consumers don't see them as going together."

A third study conducted by the researchers found that consumers were less willing to purchase a smoothie created with a "rigorous scientific development process," specifically because they found the slogan disjointed or even weird, says Dr. Philipp-Muller. Discomfort with an odd-sounding claim can translate to discomfort with the product, she says.

There are, however, instances when invoking science is helpful. That is the case when a product's main selling point is utility rather than pleasure, Dr. Philip-Muller says. In a study involving an imaginary personal-lubricant brand, the researchers found that a scientific appeal led to higher purchase intent when the product was positioned as a birth-control measure, but not when the product was positioned as enhancing sexual pleasure.

There are other exceptions, as well. If consumers are first told why the science is relevant, the negative response associated with using science claims to sell pleasure-focused products is reduced. In their studies, the researchers found no reduction in purchase intent among participants who got a sales pitch for a scientifically developed cookie if the participants first read a short article explaining why chemistry is necessary for making a quality dessert.

The researchers also found there is no harm in mentioning science when the target audience is a science-friendly crowd. In their study looking at the effects of marketing an imaginary brand of body wash by invoking scientific claims, the researchers found a reduction in purchase intent. But this backlash evaporated when the target audience was screened to include only participants working in science, technology, engineering and math fields.

"If the segment you're targeting is one where you feel pretty confident that they trust scientists a lot," says Dr. Phillip-Muller, "well, that's where you don't really need to worry so much about science appeals backfiring."

Ms. Kadet is a writer in New York. Email her at reports@wsj.com.

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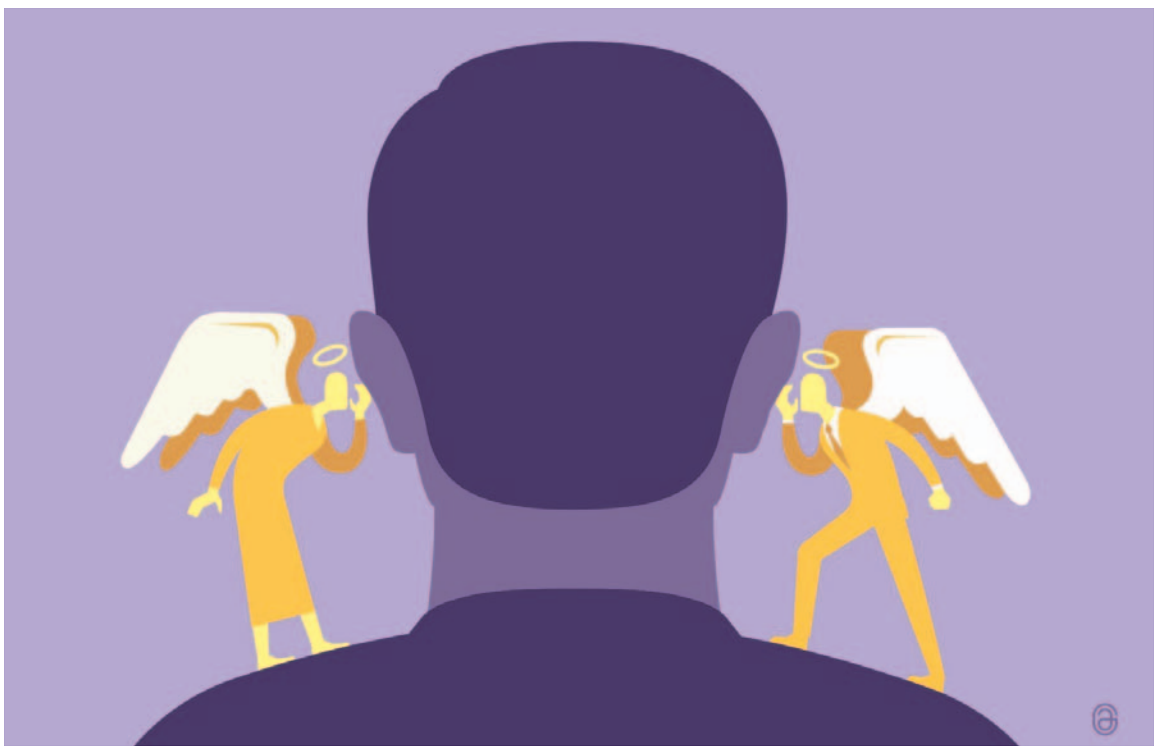
How Companies Can Counter Consumers' Moral Convictions

The idea: Challenge them head on

BY AVIVA PHILIPP-MULLER AND ANDREW LUTTRELL


AAD GOUDAPPEL

CHANGING minds is hard. It is especially hard when moral convictions are on the line.

How do you persuade people to watch football if they believe that it's immoral due to the brain injuries the sport causes? Companies that produce lab-grown or cultured meat must work against consumers who feel ethically queasy about products they see as unnatural.

Is it even possible for such companies to make their case when consumers have already taken a moral stand against them?

Our research has found that one communication strategy that works to change morally charged opinions is appealing to the very thing these consumers care about: morals. This runs counter to what many behavioral scientists would have predicted, who for years have found that moral opinions are rigid and can't be moved easily, if at all. But that may be because they never tried to change moral opinions by challenging them head on, by directly making ethical arguments.

Morality vs. morality

In a handful of experiments, we tested whether people with morally based opinions stick to their views no matter what, or whether they would actually change their minds after hearing arguments that their opinion is morally misguided.

In one experiment, people who supported recycling programs for a variety of reasons read an essay arguing that recycling was flawed. We randomly determined the type of essay participants of the study would read. Half of them read an essay focused on practical concerns, which claimed recycling was unfeasible because of more trucks on the road, for instance, and more traffic in cities. The other half read an essay focused squarely on fabricated moral concerns, which claimed that recycling was harmful and immoral because the fumes produced by recycling plants kill beloved pets and wild animals, among other ethical qualms. These particular claims were false and used for our research purposes, but mirror moral arguments some have made about recycling programs.

When we asked people about their opinions of recycling after they read the essays, the people who had initially supported recycling because they saw it as their moral obligation were more persuaded by the essay on why recycling is immoral than by the essay on why recycling is impractical. On the other hand, if people didn't see recycling as a particularly moral matter to begin with, then the moral arguments were less persuasive than the practical ones.

We replicated these results in another experiment with a different potentially morally loaded issue: marijuana legalization. Proponents of legalizing marijuana read an essay that argued against legalization, and the type of argument they read—moral vs. practical—was randomly determined. Again, the moral anti-legalization essay was more persuasive than the practical essay only to people who had initially supported legalization for moral reasons.

In practice

So how can organizations use these findings to overcome consumers' moral objections? By using moral language themselves to advocate for why they offer a morally superior option in the marketplace. They can try tapping into key human values like avoiding harm, promoting fairness and protecting community. Of course, while we made up some of our moral arguments for the sake of the experiment, in real life each moral argument should be plausible and accurate.

Take the challenges that manufacturers of lab-grown meat face. They want to sell a product that at least some people oppose on moral grounds. According to our findings, claims about the cost and efficiency of their product would fall flat. But suggesting that their product promotes ethical values of animal welfare, environmental sustainability and bodily purity would speak to the these consumers' core concerns.

The tech industry is also grappling with how to overcome consumers' ethical concerns. The public, for instance, may object on privacy grounds to tech companies' use of algorithms that gather user data. But they might be more open to arguments about this technology's possible moral virtues, such as helping optimize ambulance routes that save lives or identifying and correcting racial biases or misinformation.

This isn't to say that the moral strategy is effective in every scenario. Some moral arguments may fail to resonate because they target values that the audience simply doesn't care strongly about. Organizations may also struggle to authentically communicate their ethical strengths if they have completely lost the public's trust or if they just don't have compelling moral arguments to draw from. In these cases, consumers may see moral messages as empty sales ploys.

But while no strategy is a silver bullet, our research makes it clear that when organizations face moral opposition, one overlooked tool is the moral argument. When people are making decisions based on their moral judgments, it may be time to put yourself in their shoes and make your moral case.

*Dr. **Philipp-Muller** is an assistant professor of marketing at the Beedie School of Business at Simon Fraser University in Burnaby, British Columbia. Dr. **Luttrell** is an assistant professor of psychological science at Ball State University in Muncie, Ind. Email them at* **reports@wsj.com.**

How to Handle Customer Returns

Continued from page R1

How do you have return policies that are flexible enough to keep customers, but not so costly that companies lose money?

And even better, is there a way to use the return experience to actually *increase* sales rather than just be a drain on company results?

We spoke with retailers, analysts and researchers about the smartest ways to thread this product-return needle. Here are some of their best practices.

• **Make it easy:** Returns, traditionally, were viewed as a burden to be minimized as much as possible. It makes sense: Every return is not just a lost sale, but a potentially costly one if you add in shipping and labor expenses. But customer expectations—shaped, in part, by Amazon—have changed that thinking.

"The consumer has been trained that retailers should bear the cost of those returns, that the return should be extremely easy," says Neil Saunders, managing director at research firm GlobalData. "As soon as you start to tighten it up, you lose some competitive advantage."

Companies are also realizing that a liberal return policy—including a longer time during which returns are accepted, and an easy experience processing the return in person or online—can, counterintuitively, induce customers to buy *more* and return fewer items, says Dr. Petersen.

"The more time you give people, the more they procrastinate and then eventually they go, 'Well, actually, I feel like this is my product now,'" he says.

Harry Rosen, a Canadian luxury apparel retailer, found that making it easier for customers to return items—for example, not requiring receipts at store checkouts before accepting returns—led to a 25% increase in the repurchase rate when a customer goes to a store to return an item that was bought online.

"As we made the process easier in-store, the exchange and repurchase rate went up significantly, because the customer wasn't so frustrated at [checkout] trying to pull out receipts," says Ian Rosen, the company's president and chief operating officer.

A flexible return policy also is a sign of confidence in the quality of the product, says Harsha Bellur, chief information officer at jewelry retailer James Avery, which lets customers return items up to one year from the date of purchase. Mr. Bellur says the retailer's returns, including exchanges, is around 10%.

• **Let customers return things at different places:** Offering a range of return drop-off locations increases the likelihood that a customer will make a purchase, says Matt Moorut, director analyst at Gartner Inc., a research firm.

Here's the problem, though: When customers return items in different places than they bought them, retailers increasingly have items sitting in the wrong position for a resale, says Andrew Davis, a partner at McKinsey & Co.

One solution is for retailers to give incentives to customers to come to a physical store, because many customers buy other items while making returns. Shoe Carnival Inc., an Evansville, Ind.-based apparel chain with stores in 35 states and Puerto Rico, offers free returns in-store, while charging a fee of $6 for online returns or drop-offs at third-party locations.

The company says that fit mismatches are the No. 1 cause of product returns, and that by coming to the store, customers can get help from associates in finding the right size.

"By making in-store returns free, it's one of the tactics we think is very convenient for the customer," says Mark Worden, the company's chief executive. "We can ensure they leave with [a shoe that fits] without having any extra cost."

• **Stop requiring printed return labels and boxes for online returns:** Eliminating the requirement for customers to print labels and bring boxes makes the process faster and more convenient for the customer, simplifies the reverse logistics process and reduces the amount of packaging needed.

Amazon began allowing label-free and box-free returns in 2019. Customers show a QR code at a drop-off location, including Whole Foods, Amazon Fresh and Amazon Go stores and UPS stores. Staff members print labels on-site and pack them together in a larger container, instead of individual boxes. This makes returns easier to sort through when they are received.

"It's a much more efficient way to get products back from customers, if you think about the amount of air that we're shipping around on trucks when everything's boxed up [individually]," says Hannah McClellan, Amazon's vice president of returns and freight. "We're able to fit a lot more returned items in a carton and many more on a truck."

Narvar, which offers a returns-technology platform, says when its retail clients' customers are offered a QR code option instead of printing the return label, 25% to 40% of them choose the QR-code option.

"Pre-Covid, people would print labels at their offices," says Amit Sharma, Narvar's chief executive. "Now, what are people going to do? In my personal example, even if I have a printer, half of the time there's no ink."

• **One size doesn't fit all:** Not all customers should necessarily get the same return policy. Put bluntly, companies likely are less willing to annoy a frequent, loyal customer than somebody they believe is one and done.

Lone Design Club, a U.K.-based apparel retailer, has a 14-day return policy. Outside of that window, the company handles return requests on a case-by-case basis. Information about the customer, including how often they purchase, is one of the factors it considers.

"It depends then on the frequency of purchase, how good a customer are they," says Rebecca Morter, founder and chief executive at Lone Design Club. "We do have to look at it at a deeper level."

• **Let customers keep the item—sometimes:** Making a customer return an item may be cost-prohibitive for the retailer if the cost to process the return exceeds the value of the item. In those cases, it might be best to let the customer keep the item, provided the company doesn't think it will lead to abuse of the policy.

"Sometimes brands will say it isn't worth our time and just keep [it], because we would probably put it into landfill or something if we think that we can't reuse this product or resell this product and still make our money back," says Mr. Moorut at Gartner.

Ms. McClellan at Amazon says the "just keep it" scenario is uncommon, though it happens. "There are a few exceptional cases where we may ask the customer to keep the item or donate it or dispose of it," she says, "and that's most notably due to constraints related to hygienic products, or hazmat things that we couldn't safely ask them to return."

• **Use technology to help root out fraud:** In 2021, an estimated 10.3% of returns were fraudulent, according to research from Appriss Retail and the National Retail Federation.

Mr. Saunders of GlobalData says return fraud can occur in many ways. It could mean returning a different item than then one purchased, returning an empty box, claiming a customer never received an item, using an item and then returning it, or stealing an item and attempting to return it.

Mr. Sharma of Narvar says the company's returns-technology platform, along with customer-relationship management systems, give retailers the ability to add customer notes if they notice unusual activity.

They may also decide to categorize customers based on their behavior, with tailored instructions on how to process returns—for instance, requiring the customer to return the item in a store.

The technology also lets retailers check whether the attributes of returned products—such as weight and dimensions—match product details they have on file, Mr. Sharma says.

• **Use returns data to improve the product lineup and buying experience:** Product returns give retailers valuable information on what customers don't want and what's not working with product descriptions and logistics processes. Applying these lessons can help minimize future returns and improve the buying experience.

"One reason we really like free returns is we feel like it encourages customers to give us high-quality honest data as to why they are returning," says Ms. McClellan of Amazon.

Amazon makes it mandatory for customers to select a reason for returning an item, she says. Insights from returns data are shared with teams that develop product-detail pages to ensure size charts and images are as accurate as possible. When Amazon is doing the fulfillment on behalf of a third-party seller, it passes on the reason for the return to the seller.

Similarly, before Harry Rosen customers can print a prepaid return label, they are asked why they are returning the item. Depending on how they answer, the system may ask follow-up questions.

"We would ask, 'Is it too small? Too big?' We try to get that second level of detail," says Mr. Rosen.

At the point-of-sale systems at stores, Harry Rosen has also introduced a drop-down menu where associates can enter the reasons for a return. The company then analyzes the data, and a dedicated team meets monthly to determine how the company will respond, says Mr. Rosen.

In response to returns feedback, for instance, the company has added product dimensions to its online store.

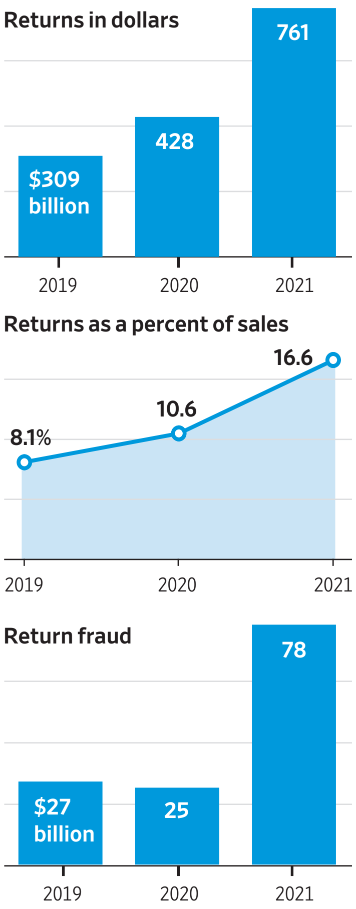
Mr. Rosen says the company is currently working on a predictive fitting feature to help give customers more confidence in their choices.

"We'll put the key measurements down there in case somebody really wants to do it, but truthfully, what the customer needs is you to say this will or won't fit," he says.

*Mr. Bhattacharyya is a writer in Philadelphia. He can be reached at **reports@wsj.com.***

Returns on the Rise

Shoppers' returns to retailers have jumped in dollar terms and as a percentage of total sales, and fraudulent returns have also climbed



Sources: Appriss Retail/National Retail Federation

Amazon has set the bar for ease of returns, posing a challenge for other retailers.

LUIS SANTANA/TAMPA BAY TIMES/ZUMA PRESS

1 in 3

repeat customers said they wouldn't buy again from a retailer where they had a difficult product-return experience

Source: Narvar 2020 survey of 1,161 U.S. consumers

GIACOMO BAGNARA

How to Get People to Trust AI Predictions

We stop believing algorithms if they make any mistake. But what if we thought the algorithms could learn from their mistakes?

BY TALY REICH AND SAM J. MAGLIO

IN the race between humans and algorithms, it isn't much of a contest. Running mountains of data through sophisticated equations in the time it takes a lowly human brain to decide on lunch, machines regularly outperform even experts at predicting, for example, which employee will succeed on the job, and how to optimize a supply chain.

Machines also have the ability to transform our lives as consumers—predicting which clothes look best on us, which movies we'll most enjoy, and which medical treatment has the best chance of success.

But that promise of a smarter, happier, more-efficient life falls on deaf ears because people have a hard time shaking what's known as *algorithm aversion*. Slow to trust some nebulous formula, we prefer to consult something, *anything*, with a pulse. If we get bad advice, we can talk to the doctor or friend who provided it—which can provide a learning opportunity for them, signaling that their counsel is worth seeking again later.

Those conversations don't happen with equa-

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The glucose sensor on the author's arm sends data to his phone showing his blood-sugar level and whether it is steady, rising or falling.

My Glucose Monitor Can Drive Me Crazy—And I Wouldn't Have It Any Other Way

BY JAMES S. HIRSCH

Medical wearables allow us to have a continuous conversation with our bodies. That can be maddening, but it's well worth the price.

MEDICAL wearables open a window into the human body and are revolutionizing personal health. At least for me, they are also transforming self-care in a way that is revelatory, maddening and indispensable.

These tiny supercomputers attach to the body and generate health data for the user—a continuous stream of real-time information about one's heart rate, blood oxygen level, blood pressure, skin temperature, respiratory rate, glucose level, body motion and, on the horizon, cancer, ketones, cholesterol and more. The black box of our well-being is revealed, numerically or graphically, on a smartwatch, smartphone or other smart device.

It's a new world of self-empowerment: Who needs to trek to a hospital lab, or even see a doctor, when your electrocardiogram is on your wristwatch?

Hidden world

Medical wearables are nothing new. From early eyeglasses (13th century) to early pacemakers (1950s), we've long been attaching things onto and into ourselves in search of better, healthier lives. What's changed over the past two decades are advances in biosensing devices, microelectronics and wireless communication technologies, all of which have unleashed new products to glimpse the hidden world of our subcutaneous life.

These wearables can be worn discreetly, even fashionably, as wristbands, armbands, belts or rings. Elite athletes are embracing medical wearables because they believe certain health metrics will improve their performance. Many of these products are more about healthful living than actual health—various trackers count your strides, your stress, your sleep.

Such uses are fine, but medical wearables derive their greatest benefit from individuals who have a chronic medical condition or other infirmity. The stakes are higher, even life or death.

Perhaps no medical wearable has had a more transformative effect on individual health than the continuous glucose monitor, or CGM, for people with diabetes. (An estimated 37.3 million people in the U.S. and some 415 million worldwide have diabetes.) Introduced about 20 years ago, CGMs measure blood-sugar levels in real time and allow patients to know if those levels are in range or out of range.

In diabetes, that's the whole ball of wax.

On the edge

The disease occurs when your pancreas stops producing insulin (Type 1 diabetes) or doesn't produce sufficient insulin (Type 2 diabetes). Insulin allows food to enter your cells and converts that food into energy. Without insulin, your blood sugar rises, which over time can imperil every organ in your body and can eventually be fatal. To survive, all Type 1 patients, and many Type 2s, require insulin through injections or a tiny pump, but that therapy carries its own risk. If you take too much insulin, your blood sugar will go too low, which can lead to confusion, shakiness or, in extreme cases, loss of consciousness or death.

Too high or too low...It is a precipice that I have walked since I was diagnosed with Type 1 as a teenager in the late 1970s.

At the time, there was no way to measure blood sugars at home, but the early 1980s saw the advent of home glucose monitoring, which involved measuring a drop of blood in a small machine. That was life-changing but still limited. Glucose levels are so volatile that even testing your blood sugar five or six times a day is but a scattershot of information about your glycemic health.

I lived for many years resigned to the unknown. Absent a current blood-sugar number, my level could be careening upward, and hyperglycemia, even for a short period, rendered me achy, sluggish and morose. But hypoglycemia is even more dangerous, and I had several close calls. Once, I passed out while driving on a highway outside of Boston and flipped my Honda Pilot into a ravine. The car was totaled, but miraculously, I didn't hit anyone or anything, and I walked away without a scratch.

Everything changed when, seven years ago, I began using the Dexcom CGM, and I currently use the Dexcom G6. I attach the small device to my arm, and the disposable sensor, inserted under the skin, measures glucose levels every five minutes and sends the results to my phone.

Before I used the CGM, I had heard it was a game-changer, but it is more than that. In addition to knowing my blood sugar, I also know what direction it is heading and how quickly (arrows on my phone point up or down). The CGM displays my glycemic patterns in charts or graphs over hourly, daily and weekly intervals. I can observe how my blood sugar is affected by specific foods and by different types of exercise, as well as by stress, sleep and other variables.

What had always been invisible—the interplay between the daily churn of life and metabolic health—was now visible.

The Dexcom isn't perfect. On occasion, the signal to my phone is lost, and I go a few hours without blood-sugar data. Sensors occasionally break down entirely (though the company will replace them). And even with insurance, CGMs are another expense in managing an already expensive disease.

But the advantages are clear. Dexcom has built-in alarms that beep loudly when your blood sugar goes too low or too high. If used correctly, the device all but eliminates severe low blood sugars as well as extended high blood sugars. The American Diabetes Association recommends that all Type 1 patients, and Type 2s who use insulin, wear a CGM: It keeps us safe, it keeps us healthy.

But that isn't the whole story.

Sitting in judgment

Medical wearables are viewed as support systems for your health, accessories that provide an informational safety net. But that understates how they insinuate themselves into your psyche, alter behavior and change the emotional contours of your life.

In my case, my CGM doesn't simply give me a blood-sugar number. Rather, it precisely quantifies my recent behavior. It sits in unforgiving judgment. It cajoles and frets and chides.

If I do everything correctly—minimize my carbohydrates, exercise, take the correct amount of insulin—my blood-sugar numbers are in range, and my flat glycemic profile, displayed on my phone, vindicates my resolve. But if I succumb to temptation and eat a piece of cake or drink an extra beer—and fail to increase my insulin—my numbers soar, and the warning signal erupts with the urgency of a five-alarm fire. If it shrills when I'm in a meeting or at the movies, I'm outed; if it blares during a quiet dinner, I'm embarrassed; if it squalls in a place of worship, I'm heretical. And my roller-coaster glycemic profile documents my indiscretions.

My health is almost secondary. I'm determined to tame my CGM, to avert its reprimand, and I take this to an extreme. When my blood sugar goes high, I turn off my phone. I don't want it to record my fallibilities. I don't want to disappoint my own medical device.

But I still wear it 24/7.

I've come to realize that medical wearables are really just an intermediary for a continuous conversation with your own body. Yes, they occasionally drive us bonkers, and yes, they remind us of our failings, even our mortality; but encrypted in their circuitry or buried in their algorithms, these high-tech appendages want us to overcome, persevere and thrive.

It is estimated that more than 50% of Type 1 patients in America and more than 75% in England now use a CGM. New and better generations of CGMs keep coming out, and they will change the way millions of people around the world take care of themselves.

Since I began using mine, I've had no severe low blood sugars, and I'm usually in range.

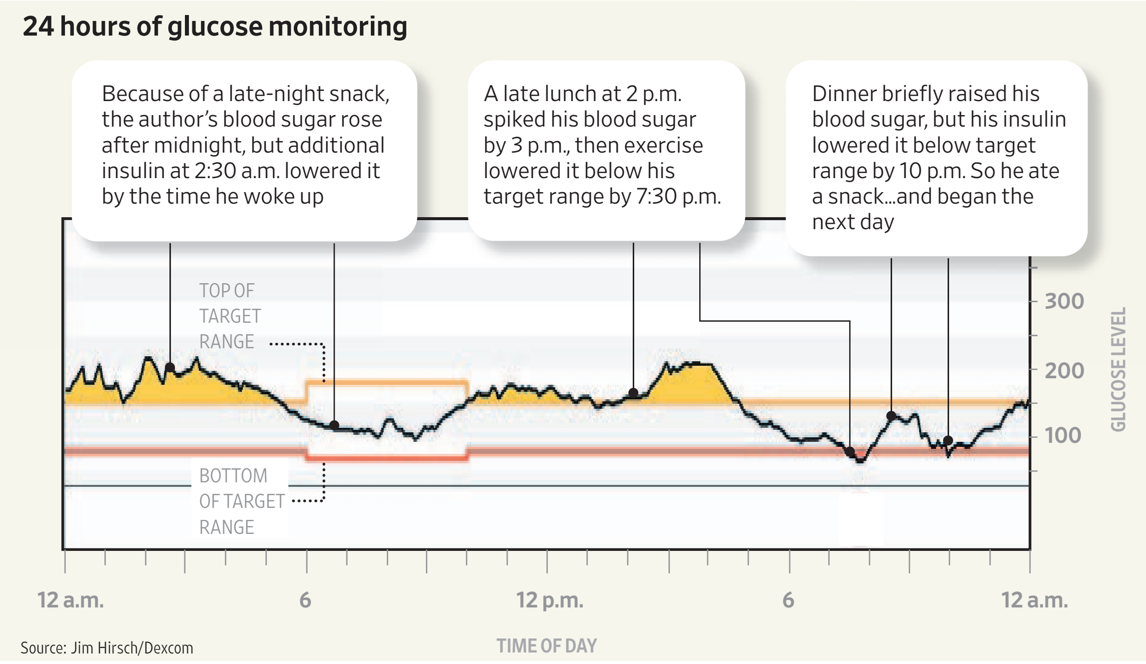
We've made our peace, my CGM and I.

I allow it to be disapproving, clamorous and uncompromising, and it allows me to be human.

*Mr. Hirsch is a journalist and author whose books include "Cheating Destiny: Living with Diabetes." He can be reached at **reports@wsj.com.***

A Window Into the Body

Continuous glucose monitors can show glycemic patterns over different time spans, allowing users to see how their bodies react to different foods and activities—and to reduce or eliminate blood-sugar extremes. This chart shows the author's blood sugar as tracked by his monitor over the course of a recent day.



Source: Jim Hirsch/Dexcom

AMIT ELKAYAM FOR THE WALL STREET JOURNAL (2)

Continued from page R4

tions. The algorithm's inner workings remain a mystery, leaving us only able to observe the product and not the process. If an algorithmic prognostication misses the mark, we conclude that the black box must be irreparably broken, shaking our confidence in ever consulting it again.

Unless, that is, we can convince potential users that algorithms, just like people, can learn from mistakes. That can put a significant dent in algorithm aversion.

Our first study corroborated the uphill battle algorithms face. One group of participants read about a psychologist who could identify, from a brief synopsis, someone's personality with 80% accuracy. For another group, we swapped the psychologist for an algorithm. Everyone then responded to the same two questions: (1) how much they thought the algorithm could learn from past mistakes, and (2) how much they trusted it. The results confirmed that people see algorithms as significantly less capable of learning from mistakes, driving reduced trust.

With the performance history of the algorithm on the rise, study participants' preference for the algorithm jumped.

We next considered a simple fix: Show people that algorithms can, in fact, learn.

One experiment had participants choose a human psychologist or an algorithm to predict someone else's personality. As in the first study, one group of participants learned only that the algorithm's success rate was 80%, the same as the psychologist's. The other participants were shown a history of the algorithm's steadily improving performance: 60% in the first three months, then up to 70%, and now at 80%. Among these participants, two-thirds went with the algorithm over the human, even though they now had equal success rates.

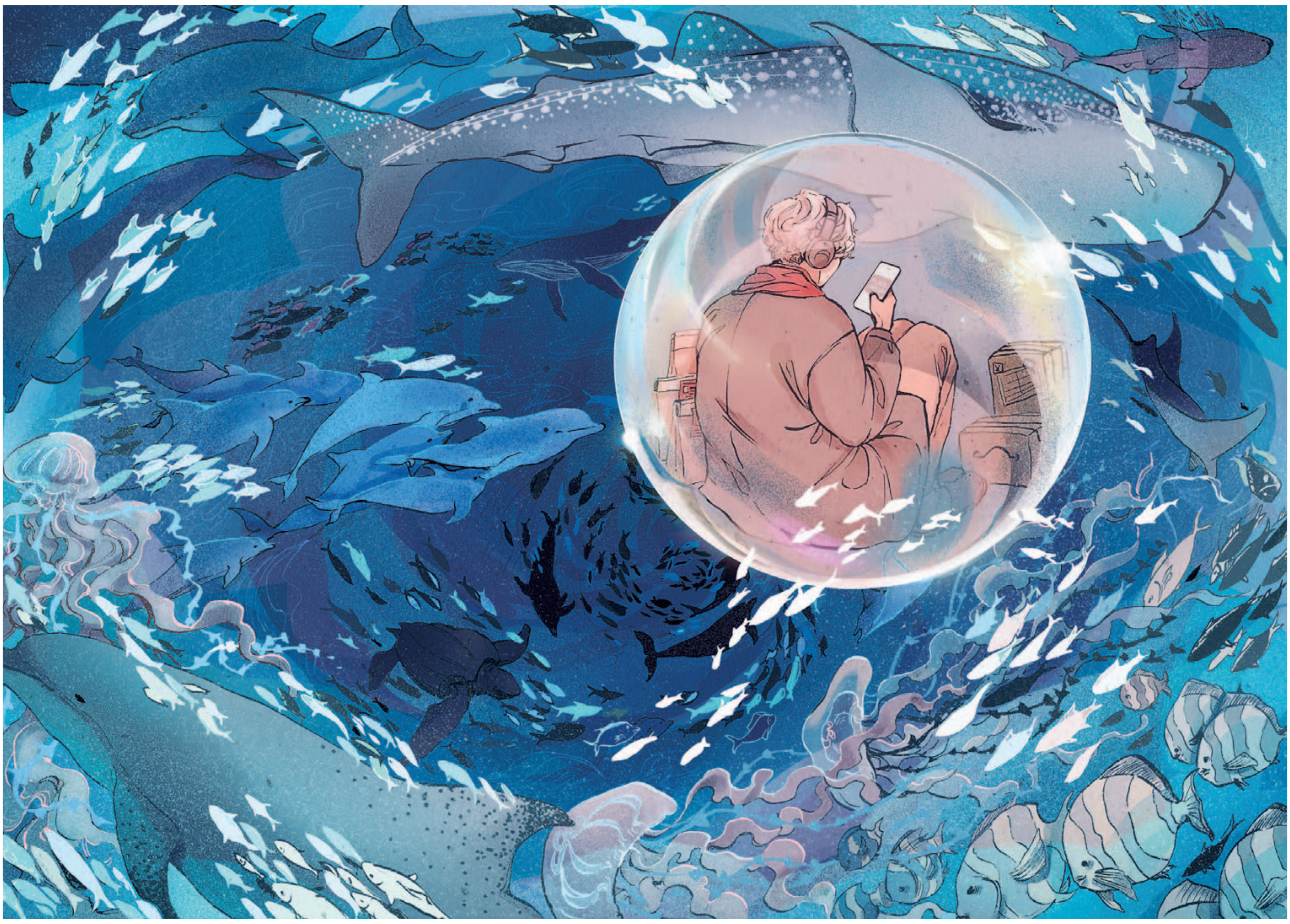
Showing people the algorithm was learning was enough to change their trust in the machine.

A similar study promised to ship a free piece of art to our online participants—all they had to do was choose between having the piece selected by an art curator or an algorithm. Some learned only that 65% of the algorithm's pieces had sold that year; others saw steady progression, from 55% to 60% culminating in 65% (the curator's success rate). Again, with the algorithm's performance history on the rise, preference for the algorithm jumped to 45% from 38%.

Not all algorithms improve over time. How do you win over consumers in those instances? We wondered whether an *implied* potential for future improvement might work. To test that, we tried referring to the "machine learning algorithm" instead of the "traditional algorithm." With "learning" in its job description, participants now were just as favorable toward the algorithm as one with a detailed history of progress.

To err isn't just human—it's baked into anything, man or machine, tasked with the staggering goal of predicting the future. The future success of artificial intelligence may depend on convincing people that to learn from those mistakes isn't necessarily just human either.

Dr. Reich is an associate professor of marketing at the Yale School of Management. Dr. Maglio is an associate professor of marketing and psychology at the Rotman School of Management and the University of Toronto Scarborough. Email reports@wsj.com.



What We Lose When Companies Make Things Easier for Consumers

Companies are always trying to eliminate 'pain points' or 'friction' when we buy things. That comes with a price we may not realize.

BY KATE MURPHY

IN Silicon Valley-speak, "friction" is any physical or psychological barrier that might prevent a potential buyer from buying or using a good or service. Eliminating that friction, or "pain point," often by way of technology, has therefore become the vaunted business model, if not the *raison d'être,* of successful startups and established companies alike.

Take your morning cup of coffee. The friction of making it is removed by having a barista at your local coffee shop make it for you. Ordering ahead on an app takes care of the potential pain points of waiting in line and interacting with the barista. Instructing a virtual assistant to order your coffee eliminates the burden of tapping on your phone. And, if leaving your house seems like too much exertion, your virtual assistant can prompt a coffee machine in your kitchen to brew you a steaming cup, which, being a smart machine, will subsequently make your coffee when and how you want without you having to disturb your morning reverie at all.

It's hard to think of any human activity today that has not been subject to the same diminishing degrees of friction. Smart entrepreneurs have striven to eliminate perceived pain points from grocery shopping, stock trading, home buying, bike riding, vacation planning and even finding true love.

Removing friction is undoubtedly a smart business strategy. After all, we humans are wired to preserve our physical, biological and cognitive resources, not to mention our time, all of which are woefully limited.

And yet, there is increasing evidence that some forms of friction, rather than being impediments, are actually essential to our well-being.

"I think the real danger of the frictionless economy is that at any moment it's easier often to do the nonsocial thing," says Nicholas Epley, professor of behavioral science and director of the Center for Decision Research at the University of Chicago Booth School of Business.

Indeed, engaging with other people, and trying to understand their layered verbal and nonverbal messaging, is one of the most complicated things we ask our brains to do. So while apps and devices that reduce or eliminate that particular kind of friction can seem incredibly appealing, research indicates that a range of social interactions, including those with strangers or loose acquaintances (such as a barista who knows how you like your coffee) are fundamental to both our physical and emotional health.

Come on, smile

Dr. Epley and other researchers have repeatedly found that people wildly overestimate the friction, aggravation and awkwardness they will feel if forced to engage with others in commuter, retail, service and recreational settings. At the same time, they wildly underestimate how good they, and the people they meet, will feel afterward. Sociability is our evolutionary edge, and we are uniquely equipped with neural and biochemical reward systems that leave us subjectively happier and objectively healthier after connecting with others, even if it's just a friendly smile, nod, or cheerful "Good morning!"

"Little interactions with people add up and make a difference in how you perceive people who are different from you and how you perceive yourself as integrated and secure in the world," says Katherine Fiori, professor of psychology at Adelphi University. For decades, research has shown that chance encounters during the most mundane, albeit now increasingly rare, activities, such as grocery shopping or going to the bank or post office, sharpen social skills, reduce anxiety, introduce novelty, spark creativity and create new opportunities. Virtual interactions, on the other hand, tend to do the opposite.

Defenders of frictionless commerce dismiss the idea that there might be negative consequences. "There is nothing but upside," says Krishna Motukuri, co-founder and CEO of Zippin, a San Francisco-based company specializing in so-called grab and go technology that enables shoppers to just take what they want from stores and leave without interacting with anyone or even using a self-checkout machine. "We have been running Zippin-powered stores for more than four years now and we haven't found a single person who comes back and says, 'Oooh, I'd like to go back and stand in line.'"

Talking to strangers

Other proponents argue that reducing or eliminating interactions with vendors, service providers, random strangers or loose acquaintances gives people more time to spend with people they truly care about. But limiting your interactions to your inner circle has a serious drawback, beyond exacerbating "us vs. them" tendencies.

> We are subjectively happier and objectively healthier after connecting with others, even if it's just a friendly smile, nod or cheerful 'Good morning!'

"Generally it's your close ties who you are going to get in an argument with," says Dr. Fiori. "All interactions with weaker ties aren't positive, of course, but on average, they are more positive than close ties." Perhaps that's why research shows people often share their most private thoughts and feelings with strangers, fearing blowback, judgment, gossip or drama if they told their family or closest pals.

Moreover, zipping through your day without social or other forms of friction may lead you to be less tolerant to the speed bumps, fits and starts inherent in intimate relationships. "You develop habits of relating in this frictionless way which brings you to the dinner table with the expectation that there, too, things are going to be as easy," says Sherry Turkle, a professor, researcher and observer of the impact of technology on human relations at the Massachusetts Institute of Technology.

In her memoir, "The Empathy Diaries," Dr. Turkle describes the friction-filled experience of shopping with her grandparents in New York City in the latter part of the 20th century. Chatting with green grocers, butchers, fishmongers, and cheese and wine merchants was the texture and social grounding of people's days. "You don't want to glamorize it, but these were genuine relationships," Dr. Turkle says. "They talked about their children, they talked about their lives, and that is what made up the fabric of living in an urban space." Today, her grandparents would likely be using the self-checkout at the local CVS, just as Dr. Turkle does. Or worse, she says, "They'd be ordering things off Amazon and never leaving their apartment at all."

Dr. Turkle is among many researchers who say the frictionless economy is contributing not only to the loneliness epidemic, but also widespread anger, oversensitivity and intolerance. A prime advantage of friction is you have to actively overcome it, which means you have to look up from your screen. You have to leave your personal bubble. You have to ask for help. You have to be polite. You have to listen.

"When you talk to Alexa you don't have to say, 'Excuse me, I'm sorry to interrupt, but if you don't mind, could you please tell me the weather?' You just say, 'Alexa, weather!'" says Nicholas Christakis, a professor and researcher who studies social networks and biosocial science at Yale University. "If developers required optimal social niceties, no one would buy the damn thing." The catch, he says, is "the technology trains us and our children to be rude."

Endearing bots

No one is suggesting that we ditch our technology and all go down to the river to wash our clothes or join communal farms. Well, some are. But Dr. Christakis says we need to be more thoughtful in the design of our technology so it reinforces rather than subverts our fundamental human sociability.

For example, his lab has created robots that have endearing human qualities: They make goofy dad jokes and admit to fallibility. The result is that in experiments small groups of people who teamed up with those robots were demonstrably nicer to each other, more cooperative and more effective at completing tasks, compared with groups that were assigned to robots that were neutral or silent.

"If artificial intelligence is designed sensitively to take into account our humanness, then it can contribute to our well-being, such as if it somehow facilitated chance encounters between humans," says Dr. Christakis. "But if the technology is designed in a way that cuts against our natural humanity, our evolved ways of interacting socially, then I think it will contribute to a dystopian future."

Technology got us into this mess, maybe it will help get us out of it. Meanwhile, Dr. Epley at the University of Chicago advises that you actively seek out the friction that is your fellow man. Take out your earbuds. Look people in the eye. Extend a friendly greeting.

"It's a little like exercise in that you have to choose to do it, and do it regularly, to appreciate the value," he says. "That's where the friction comes in: You have to make the effort. You have to say 'Hello.'"

*Ms. Murphy is a journalist in Houston and the author of "You're Not Listening: What You're Missing and Why It Matters." She can be reached at **reports@wsj.com.***

DANLIN ZHANG